

Resources Board – report from Cllr Richard Watts (Chair)

Local Government Finance

COVID-19

1. The LGA continues to receive access to data from the monthly returns submitted to MHCLG on the financial challenges arising from COVID-19, which based on the December data (prior to the new COVID-19 strain and national lockdown) amounts to nearly £10 billion of in-year pressures (cost pressures and non-tax income losses), with a further £3 billion of local tax income losses, impacting budgets in 2021/22. This is prior to considering mitigating factors and Government support provided so far.
2. To date, the Government has provided £4.6 billion of unringfenced funding to assist local authorities with financial pressures in 2020/21, as well as additional funding for tier areas and other ringfenced grants. Alongside the Local Government Finance Settlement, the Government announced a funding package worth £3 billion to local authorities to support COVID-19 pressures in 2021/22.
3. At the time of the meeting we will have responded to the consultation on the COVID-19 funding package for local government in 2021/22, highlighting the financial challenges the sector is facing. We called on the Government to guarantee the financial challenge facing councils as a result of COVID-19 will be met in full, and to revisit the 2021/22 funding package in light of information on the new COVID-19 strain and national restrictions. Members of Resources Board cleared this response.

Provisional 2021/22 Local Government Finance Settlement

4. On 17 December the Secretary of State delivered the Provisional Local Government Finance Settlement for 2021/22. LGA officers produced an [on the day briefing](#) highlighting key information from the settlement.
5. At the time of the meeting we will have submitted our response to the Government's consultation on the proposals set out in the provisional settlement, with members of the Board providing comments and clearance.

Redmond Review

6. Alongside the settlement the Government published its [response](#) to the Independent review of Local authority financial reporting and external audit (the [Redmond Review](#)). The Government has accepted recommendations for practical changes that can be made quickly many of which were also suggested [in our own response](#).

2020 Spending Review

7. Following the Chancellor's Spending Review delivered on 25 November LGA officers produced an [on the day briefing](#), highlighting the key announcements affecting local government.

Budget 2021 submission

8. On 17 December 2020, the Chancellor announced the Budget for 2021 will take place on 3 March 2021. We submitted our Budget representation which focused 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.

LGA Finance Conference

9. Our local government finance conference took place online, with two separate webinars on 7 and 12 January. Each of the webinars attracted over 300 registered delegates. I chaired the conference and attendees heard from the Secretary of State for Communities and Local Government and our Chairman on 7 January as well as the Shadow Secretary of State for Communities and Local Government on 12 January. We also had speakers from the National Audit Office, the Institute for Fiscal Studies, and Public Sector Audit Appointments.

Workforce Update

**Local Government
Pay 2021**

10. The National Joint Council ('NJC Green Book') unions for local government have informed the LGA their pay claim will not be lodged until later this month at the earliest. Councils will be consulted to inform the National Employers' position.
11. Meeting the government's target for the National Living Wage remains a challenge, with forecasts expecting it to reach £10.10 by 2024 and £10.46 by 2025. The bottom hourly rate for 'Green Book' employees is currently £9.25 outside London. On current forecasts the total increase to the pay bill by 2025 would be 13 per cent compared with 2020.

COVID

12. The National Joint Council for local government services issued a [circular providing guidance for Clinically Extremely Vulnerable people](#) who have been told by the government to shield and not go to the workplace if they live or work in [Tier 4 areas](#).

Fire

13. A [one-year pay award of 2 per cent](#) for 2020 has been agreed for senior fire service managers falling within the scope of the NJC for Brigade Managers of Fire and Rescue Services.

Education

14. The [STRB](#) remit for 2021 was published on 15 December, focusing on how to best implement the SR 2020 pay announcement for those earning less than £24k, wider recruitment and retention issues, impact of COVID-19 and affordability.
15. The LGA launched an online consultation of local authorities in December 2020.

16. Government has reconfirmed their commitment to raise teachers' starting salaries to £30k, but this year's pay restraint means this will now be met later than 2022.

Public Sector Exit Payment Regulations 2020 – Judicial Reviews

17. Judicial Reviews requested by ALACE/LLG, Unison and GMB/Unite have been granted permission to be heard, expected to be in late March.
18. The LGA was named as an interested party and will provide a submission in line with actions agreed at the LGA Board on 3 December. A further four judicial reviews on the regulations do not involve the LGA. MHCLG has confirmed they will not lay regulations changing the rules of the LGPS or introduce 'further reforms' until the judicial reviews have been heard.

Apprenticeships & T-Levels

19. Apprenticeship Incentive payments for employers who take on new apprentices have been extended until March 2021. A new online service to match employers who want to transfer unspent levy funds with SMEs will be launched in August 2021.
20. A new public sector apprenticeships target will be introduced from April 2021. A formal announcement is expected this month.
21. Working with DfE, the LGA will launch a campaign to promote the new T-Level qualifications. Councils will be encouraged to provide at least one 45-day industry placement from September 2021 and the LGA will help councils to work with their local T-Level provider.

Local Government Earnings and Demography Survey

22. For the first time since 2015, the LGA has conducted a [major survey](#) of the earnings and demographic characteristics of the local government workforce, including key workforce statistics in [infographic form](#).

Return to Work Programmes

23. Successful applicants onto the Return to Planning, ICT and Legal programmes are beginning their training and support to return to work. Councils that have registered their interest in offering employment will shortly be contacted to connect with potential new skilled employees.

Social Work Healthcheck 2020

24. The Social Work Healthcheck has now closed, receiving over 9,000 responses from social workers across 133 councils. Each participating council will receive a bespoke report by the end of January 2020.

Environmental Health Together

25. This talent platform went live at the end of October. 189 qualified EHOs and 94 councils have subscribed so far. Councils can use this resource free of charge to help support their busy Environmental Health teams. EHTogether@local.gov.uk.

Social Work Together

26. This LGA talent pool has over 1,000 qualified social workers registered, and 126 councils subscribed. Councils can use this resource free of charge to help support their Social Work teams and avoid agency costs by employing directly. Socialworktogether@local.gov.uk

Support for Low Income Households

27. The LGA continues to work with a growing number of councils and partners on 'reshaping financial support'. Further guidance and good practice will be available soon on improving access to financial services and affordable credit; and good practice in debt support and debt recovery. We continue to press Government on the need for sustainable funding for local welfare schemes and to make the case for investing in preventative support for low income households as we recover from the economic impacts of the pandemic.
28. DHSC have wrote to councils on 11th January to confirm that the Test and Trace payments scheme will now continue until the end of March 2021. They have also confirmed additional funding for both the main payment and the discretionary payment, responding to considerable concerns raised by the LGA and councils about the resources needed to prevent hardship and reduce the spread of the virus. DHSC are working with councils and the LGA to review the impact of the current increase in cases, and increased testing, and the funding will be reviewed again in February.

EU Funding and the UK Shared Prosperity Fund

29. Through the Growth Programme Board and Performance and Dispute Resolution National Sub-Committee, the LGA has helped shape the use of the European Structural Investment Fund to support communities and economies through COVID. This includes the reopening High Streets fund and measures to tackle the digital divide. The LGA will continue to press MHCLG and DWP to ensure all the remaining ESIF funds are spent by the time the programme ends in 2023.
30. While we have still not received significant detail of the replacement of EU funding, the UK Shared Prosperity Fund, the LGA continues to lobby for a domestic replacement that is driven by councils and combined authorities. Through the Ministerial Local Transition Board, the LGA's cross party EU Exit Taskforce has secured an agreement for MHCLG to conduct a local government taskforce to help codesign the fund.

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