

## Resources Board – Report from Cllr Sharon Taylor OBE (Chair)

### Local Government Finance

#### *Queens Speech*

1. On 11 May, the Queen [set out](#) the Government's agenda for the next Parliamentary session.
2. Key legislation includes new Bills for planning, the environment, skills and post-16 education, health and care, and building safety, as well as plans for a levelling up White Paper and Adult Social Care reform. The LGA produced an [On the Day Briefing](#).

#### *Public Health Grant*

3. [Public health grant allocations for 2021/22](#) were published on 16 March. The grant is £3.24 billion (up £45 million or 1.4% since 2020/21). The LGA [responded](#) to the public health grant announcement and provided a [briefing](#).

#### *Business Rates*

4. An [interim report](#) for the Business Rates Review was published on 23 March – the final report is expected in Autumn 2021.
5. The Government announced at the 2021 Budget that the reliefs for retail, leisure and hospitality and nurseries, which were 100 per cent for 2020/21, would be extended for the first three months of 2021/22 at the same level. From 1 July 2021 they will be granted up to 66 per cent with caps, the higher level being given to businesses required to close on 5 January 2021. Councils will be fully compensated for these reliefs.
6. Following a consultation, the Government announced that it will legislate to change the criteria for determining whether a holiday let is valued for business rates. This is something that we lobbied for in order to reduce business rates avoidance. Further details are expected to be published shortly.
7. The Government has also introduced legislation to rule out claims for material change of circumstance due to COVID-19 and associated measures.

#### *Capitalisation*

8. Resources Board lead members cleared responses to the CIPFA consultations on the [Prudential Code for Capital Finance in Local Authorities](#) and the [Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes](#).

#### *COVID-19*

9. 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 April data amounts to £9.5 billion of in-year pressures for 2020/21 (cost pressures and non-tax income losses), with a further £2.2 billion of local tax income losses, impacting budgets in 2021/22. This is prior to considering mitigating factors and Government support provided so far.

10. For the first quarter of 2021/22 (April 2021 to July 2021) councils are projecting an additional £2.2 billion of in-year financial pressures (consisting of £1.6 billion of cost pressures and £0.6 billion of non-tax income losses).
11. On 11 March, the LGA [responded](#) to the Public Accounts Committee's [call for evidence](#) on the evolving financial pressures on local government and support provided by central government in the context of the COVID-19 pandemic.
12. Councils have continued to distribute grants to businesses affected by COVID-19 measures. To date councils have now paid out around £20 billion to businesses for all grants.

#### *Audit Issues*

13. In March the National Audit Office published a [report on the timeliness of local auditor reporting on local government](#). Resources Board Lead members cleared a written submission to the subsequent [inquiry on this by the Public Accounts Committee](#).
14. Lead members cleared a [response](#) to a consultation from MHCLG on [proposed changes to the timetable for setting audit fees](#) to enable more up to date information to be taken into account when the annual fees are set.
15. The Department of Business Energy and Industrial Strategy are undertaking a [consultation on proposals for a major overhaul of the UK audit regime](#). The LGA will respond to the consultation.
16. MHCLG have now laid [regulations moving the audit deadline](#) to 30 September for two years. In addition, MHCLG consulted on proposals for [allocating £15 million of additional funding](#) to cover expected additional audit fees which was announced in December as part of the [Government's response to the Redmond review](#). In May MHCLG published an update to [their response to the Redmond review](#).

## **Workforce**

### *Local Government Pay 2021*

17. In February, the NJC unions (UNISON, GMB and Unite) lodged pay and T&Cs claims for local government ('Green Book') staff for 2021 which sought a 10% pay award and a range of improved terms and conditions.
18. Councils were consulted in March at the usual round of [virtual] regional pay consultation briefings. On 14 May, the National Employers made a pay offer in respect of staff covered by the local government services ('Green Book') NJC. This offer included:
  - 18.1 With effect from 1 April 2021, an increase of 1.50 per cent on all NJC pay points 1 and above;
  - 18.2 Completion of the outstanding work of the joint Term-Time Only review group
19. The employers have also proposed that the NJC begins immediate exploratory discussions on three other elements of the claim, as follows:
  - 19.1 A national minimum agreement on homeworking policies for all councils
  - 19.2 An agreement on a best practice national programme of mental health support for all local authorities and school staff
  - 19.3 A joint review of the provisions in the Green Book for maternity / paternity / shared parental / adoption leave

20. However, there was no support from councils for the offer to include the three other elements of the unions' claim, which were therefore rejected.
21. The NJC Trade Unions wrote to the National Employers on 21 May 2021 to reject the 1.5 per cent pay offer and have requested urgent talks. The employers will consider the unions' letter and respond in due course.

#### *Police Staff Pay 2021*

22. The Trade Union side has submitted a one year pay claim for a headline increase of three per cent or £1,000 on all pay points and allowances. In addition, the claim includes a review of leave provisions and a review of incremental steps on the pay spine.

#### *Fire Pay 2021 & Core Code of Ethics*

23. A claim has been received for firefighters seeking an increase of more than £4,000 to 'restore real wages loss over more than a decade of austerity'. Any pay award would be effective from 1 July.
24. A claim has now also been received for senior uniformed managers seeking 'an unconditional pay increase for all Brigade Managers, with effect from 1st January 2021, that is commensurate with other fire and rescue staff in the UK'.

25. The Core Code of Ethics and supporting guidance is now completed and was launched on 18 May. It has been developed in partnership with National Fire Chiefs Council and Association of Police and Crime Commissioners.

#### *Teachers' Pay 2021*

26. The Government's public sector pay pause means that the vast majority of teachers will not receive a cost of living pay award in 2021, apart from the proposed increase of £250 for unqualified teachers (UQTs) earning less than £24k (FTE). Officers attended an oral evidence session in March to answer questions posed by the School Teachers Review Body (STRB) on the National Employers (NEOST) written evidence submitted in February 2021. Government is expected to respond to the STRB report and publish the draft statutory teachers' pay and conditions document in early July.

#### *Soulbury Pay Review*

27. Following a consultation, the National Employers have decided to reject proposals from the staff associations on a review of Soulbury pay spines.

#### *Exit payments*

28. MHCLG have requested annual exit pay data back to 2014/15. The request was significantly amended following engagement with the department by LGA officers but remains a challenge for councils given the short turnaround time of around three weeks. We also understand that MHCLG are considering issuing guidance in relation to 'special' severance payments made by councils. Both are indications of the government's intention to bring back exit cap legislation in this year.

#### *Social Care - Making vaccination a condition of deployment in older adult care homes*

29. Government issued a consultation in April 2021 seeking views on proposals to make COVID vaccination a condition of deployment for care home staff. The consultation sought views on the proposal, any potential impact it could have on staffing and safety, how it could be implemented and who could be exempt.

30. The LGA submitted a response to the consultation on 20 May 2021 following clearance from all lead members on the Community Wellbeing and Resources Boards. Our response highlighted several issues including the importance of continuing current efforts to maximise voluntary take up of the vaccine, taking a targeted approach may be more proportionate in areas where take-up rates remain lower than the 80 per cent target and highlighting the entrenched absence of parity of esteem between the NHS workforce and the care workforce. You can read the full response on the [LGA website here](#).

*Social Care – Workforce Strategy*

31. The LGA Workforce Team is part of the drafting group for a Social Care Workforce Strategy that is being led by Skills for Care. The group involves a range of organisations that came together to prepare a joint statement on social care for last year's spending review, including ADASS, CQC, Age UK and Social Care Future. The strategy will be built around the workforce priority headings in the joint statement and will be finalised by late spring to help influence the promised Government reform agenda.

*Social Work Healthcheck*

32. The National Healthcheck report for social work is now available on our website and 133 councils will receive their bespoke reports by the end of May.

*Return to Work Programmes (Social Work, Legal, Planning, ICT)*

33. Returners have now completed their training programmes and graduation ceremonies took place in April. 66 councils and over 300 candidates are now in contact with one another.

*Environmental Health Together*

34. This platform went live at the end of October 2020 and attracted 224 qualified Environmental Health Officers (EHOs) and 122 councils subscribed. Councils can use this resource for free to help support Environmental Health teams. The success of the project meant it is being extended into 2021.

*Social Work Together*

35. Over 1,000 qualified social workers were registered, with 108 councils subscribed. Councils can use this resource free of charge to help support their Social Work teams and avoid agency costs by employing directly.

*Apprenticeships – Incentives and Flexi Apprenticeships Consultation V*

36. Following lobbying from the LGA, we were pleased to see the Government announce an extension to the duration of and an increase in the value of the Apprenticeship Incentives first announced last Summer. The incentives can be claimed by employers for hiring new apprentices and are now worth £3,000 per new apprentice between 1 April and 30 September 2021. We are continuing to urge Government to extend the incentives to at least 31 March 2021 to help ensure that no opportunities for apprenticeship starts are missed during the recovery.

37. The Government launched a consultation on their new Flexi-Apprenticeship policy in April. Flexi-Apprenticeships and Portable Apprenticeships are being introduced to help support apprenticeships in sectors where there are large numbers of time-limited job roles that do not last the minimum twelve months an apprenticeship must last, such as construction or the creative industries. There are potential opportunities to use this policy in local government and with our partners as well, such as small primary school sharing an apprentice between them or developing rotational apprentices in social care with the NHS. The LGA plans to respond to the consultation and a draft was in production at time of writing.

## **EU Funding**

38. As the European Structural and Investment Fund Programme ends in 2023, the LGA's objective is to ensure the fund is fully spent. There has been significant improvement in spending European Social Fund, which means it is more likely that the fund will be fully realised.
39. £56 million of the European Regional Development Fund has been allocated to the [Welcome Back Fund](#), to support councils reopen their High Streets safely. The LGA has been essential in ensuring that MHCLG engage with districts councils to make the fund a success.

**Contact officer:** Sarah Pickup  
**Position:** Deputy Chief Executive  
**Phone no:** 02076 643 109  
**Email:** *sarah.pickup@local.gov.uk*