

General debate: COVID-19

House of Commons

Monday 11 May 2020

Key messages:

- Councils are working tirelessly to protect lives, livelihoods and the most vulnerable in our communities. They have ensured that our most important public services keep running successfully.
- The crisis has shown how vital councils are in leading the response to a national emergency. National government has rightly recognised this work and it is vital that councils continue to get further support from the Treasury and adequate funding to ensure their financial position remains viable.
- Social Care is now the front line of the battle against COVID-19 and carers are doing an incredible job. Councils are supporting care providers who face additional costs in ensuring continuity of care for those who rely on their support. They are also seeking to protect staff and the people they support and providing care to those who fall ill with COVID-19.
- Councils and care providers continue to have major concerns about the availability of Personal Protective Equipment (PPE). This is putting workers and vulnerable people at risk and needs to be addressed immediately.
- Access to testing is also critical and the increase in testing availability is welcome, however it lacks coherence and too many care workers are still needing to make their own arrangements. There is urgent need to offer prioritisation to social care workers who are currently competing with other key workers for testing slots.
- Councils are showing leadership in supporting vulnerable residents outside of the shielded cohort. They have established systems with their local voluntary and community groups to support the non-shielded vulnerable (NSV), providing high volumes of food parcels to this group.
- Councils moved swiftly on behalf of their Local Resilience Forums (LRFs) to secure additional mortuary capacity based on government modelling of deaths resulting from the pandemic. They have ensured there is enough capacity to cope and that the dead are treated with dignity and respect.
- Councils have been supporting livelihoods through the delivery of a local hardship fund, providing business rates holidays for leisure/retail and getting grants to SMEs. Councils have worked incredibly hard to ensure that business grant payments are made as quickly as possible since the funding was received on 1 April 2020.
- The Coronavirus pandemic has underlined the crucial role of councils in leading the local response and in preparing the ground for social and economic recovery. Throughout this period, councils have led from the front and delivered at speed, establishing a true partnership between national and local government and validating the significant trust placed in councils by their local communities.

Key asks:

The immediate asks which have been put forward by councils are:

- Social Care is now the front line of the battle against Covid-19 and councils and care providers need co-ordinated support to protect people using services and staff. The focus is rightly on care homes and we share the government's ambition to build support to maintain resilience in the care home sector. Councils have a crucial role in supporting sector resilience and with local health services need to ensure that local providers can access the workforce and clinical and financial support that they need. Any national oversight must be balanced and proportionate and add value to council work. Access to PPE and testing continue to be key concerns for the sector and need to be addressed immediately. The sectors role in contact tracing needs further consideration with councils given advance notice of any additional responsibilities.
- Grant funding worth £3.2 billion and cash flow measures have been welcome and provide additional certainty over the short term. The Government must continue to demonstrate a rock-solid commitment that it will meet the extra costs local authorities are facing due to the additional demands created by COVID-19, any additional costs of delivering 'business as usual' and the loss of income resulting from the lockdown. The total projected financial pressure in the year 2020/21 arising from the impact of COVID-19, including cost pressures, lost income and savings opportunities, nationally amounts to 3 to 4 times the £3.2 billion that has been allocated by Government so far. Projected income losses make up two thirds of this financial challenge.
- Councils are still encountering issues with the deliveries of food to shielded individuals and with the quality of the data provided by Government about these individuals. Although they are already showing leadership in supporting vulnerable residents outside of the shielded cohort, they need government's support in accessing supermarket delivery/collection slots for these people as well as in assisting those in a position of food insecurity.
- Councils have effectively led their communities in lockdown. We need an empowerment of place leadership, through the convening power of local councils. We ask Government to work with us as we bring together local public and private leaders to stabilise our local economies and reshape services quickly and to customise them to the different needs of our villages, towns and cities.

Further information:

Protecting lives

- Councils continue to ensure that comprehensive social care is delivered in their communities. They have had a central role in supporting national efforts to free up hospital beds and the discharge of hospital patients into social care has been an absolute priority for councils. This has contributed hugely to protection of our NHS.
- As the focus shifts out of hospitals and into the community, particularly care homes, we need a commensurate shift of emphasis to protecting our social care and Government should make this a clear stated intention for the next period. Councils are working hard with providers to isolate and cohort discharged patients at risk, but we urgently need consideration of using the current spare bed capacity in hospitals to keep people safe and to delay discharge where it's safer to do so.
- The focus is rightly on care homes and we share the government's ambition to build support to maintain resilience in the care home sector. Councils have a crucial role in supporting sector resilience and need to focus on working with local providers. The support of local health services will be vital. Any national oversight must be balanced and proportionate and add value to council work. Sector resilience also needs to embrace services to support people living at home, particularly domiciliary care and those using direct payments.
- Care providers and councils are still not able to access sufficient supplies of PPE. This continues to be a major concern and additional drops of PPE to LRF's have not significantly addressed this issue. Care workers and other staff are not being provided with the protection they need to carry out their roles looking after vulnerable people. This is putting workers and vulnerable people at risk. This has become a major issue and the Government needs to address it in a manner which restores confidence to the sector. It is vital that the arrangements set out in the adult social care plan and associated guidance to education and children's settings are urgently translated to reality on the ground. With the delay to the national Clipper system becoming operational, providers are increasingly turning to alternative suppliers, and facing inflated costs and lack of product assurance – giving rise to further risks.
- It is welcome that the Secretary of State for Health has recognised the key role played in this crisis by care workers. Critical workers in social care and other key sectors should now be given parity with the NHS in terms of supply of PPE. There should be one system for the distribution of PPE rather than care workers and others being treated as second class workers.
- Access to testing is critical to this work. Local government wants to work in partnership to ensure testing is rolled out efficiently and effectively across these settings. The increase in testing availability is welcome but lacks coherence and too many care workers are still needing to make their own arrangements. There is urgent need to offer prioritisation to social care workers who are currently competing with other key workers for testing slots. Government also needs to ensure that communications around testing are clearer and help to signpost eligible people to the best option for them to be tested at pace. We are monitoring social care and workforce availability with private sector providers and continue to work with councils and providers on funding additional costs and managing provider cash flow. We are concerned that councils are being asked to support private sector providers who provide services

entirely or predominantly to the self-funder market. We support government ambition to ensure business continuity for all social care providers but for those that cater solely for the self-funder market, this should be addressed as a business support need rather than a council responsibility. There are many calls on the £3.2 billion of funding allocated to councils and providing financial support to care businesses that do not contract with councils would only increase the gap between presenting pressures and resources available.

- Tracing the contacts of those infected with coronavirus, self-isolating and monitoring them is important in reducing community spread. Councils need clarity on expectations on local government's role in supporting the national effort on testing and tracing. Tracing also needs to be part of a comprehensive plan that brings coherence to wider infection control, including testing. Councils have several directly employed or commissioned workforces which undertake contact tracing. Public Health England staff alone are not enough to deliver the sheer volume of contact tracing needed for COVID-19. A system wide approach could work at scale and pace if we add in the existing contact tracing capabilities of local government. Environmental health, public health workforces, sexual health services (commissioned by public health), trading standards and infection control nurses are already skilled at contact tracing. While an app is being tested, and will be helpful, there will be no replacement for local contact tracing. Costing an initiative like this is not straightforward as it could involve a significant amount of resource and for it to be in place for many months until a vaccine is ready.

Finance

- Certainty over sufficiency of funding and liquidity is vital to ensure that councils can successfully deliver the best possible response to COVID-19, but many councils are already finding themselves in a very challenging financial environment. Every council is seeing a huge drop in council tax, business rates and income they receive from fees and charges such as leisure services, commercial estate and parking. In addition, councils face increased costs to meet additional social care demand as well as those to support those in increased financial hardship.
- Based on over 170 responses to the April MHCLG survey, which have been shared with the LGA, local authorities were projecting that, the 2020/21 annual financial pressure arising from the impact of COVID-19, including cost pressures, lost income and savings opportunities, nationally amounts to 3 to 4 times the £3.2 billion that has been allocated by Government so far.
- Around two-thirds is due to projected losses in income, such as council tax and business rates (60 per cent of projected income losses) and fees and charges, commercial and other income (40 per cent of projected income losses). Councils fund anywhere between 5 and 70 per cent of their gross spending through sales, fees and charges, and council tax alone is worth around half of all council spending power. Therefore, drastic losses of this income have a very significant impact. Unallocated reserves would only cover up to half of the remaining shortfall on average.
- The majority of the initial £1.6 billion allocation will have been spent on adult social care, which is in line with the Government's approach to the distribution of this initial tranche of funding.
- Different types of councils will face a different nature of pressures. For example, district councils are more exposed to losses in income, while county councils are dealing more with cost pressures on areas such as adult social care and children's services. Unitary authorities will face a mix of both pressures which will be different in

each area.

- Under existing regulations, Chief Finance Officers will need to consider issuing section 114 reports if the Government does not provide sufficient guarantee and certainty that funding, and liquidity will be available as and when needed.
- 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 now 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.

Supporting the most vulnerable

- With doorstep food deliveries to the clinically vulnerable 2.1 million continuing, the main issues raised by councils relate to issues with the deliveries themselves with, as an example, some individuals struggling to cancel parcels they do not need, while others who need parcels have not received them.
- Improvements in the timing, flow and quality of data between central government and councils about shielded individuals also needs addressing. For example, delays in updates to the NHS patient list data causing councils considerable problems in responding to the transfer of data on those shielded individuals the Government's call centre has been unable to contact. As a result, councils are having to spend considerable time on data cleansing and are also struggling to report updates back to government. A simple mechanism for councils to update centrally held data on contact councils have had with shielded individuals would also assist.
- Councils have also established systems with their local voluntary and community groups to support the non-shielded vulnerable (NSV) and they continue to provide high volumes of food parcels to this group. Similarly, councils have been supporting those in food poverty, even though they are not funded to do so, nor have statutory responsibilities to do so. Any nationally developed programme of support for the NSV and those in food poverty should build on these locally led and managed approaches, complementing and supporting councils' activity, not replacing it.
- Defra's work to broker discussions with the supermarkets has resulted in an offer for councils to refer the NSV for the delivery/click and collect slots they need. Discussions continue with Defra and MHCLG on allocation of these slots and who they will be made available to. Consideration still needs to be given to how those NSV who are also digitally excluded can be supported, how rural and urban councils are supported to address the different circumstances they face, and how the NHS Volunteer Responders can assist in helping get food to the NSV, especially once social distancing measures are eased.
- Looking ahead to the transition from lockdown feedback from councils suggests that in addition to the surge in children's social care referrals referred to below, there will also be a surge in the reporting of domestic abuse cases. While there has been a considerable increase in demand on domestic abuse helplines this has not yet resulted in an increased number of cases being reported to councils. There are also concerns that supplies have been impacted by the lockdown which has resulted in drugs being cut with harmful substances and this practice will continue as lockdown

restrictions are relaxed. There is also concern that drugs have been stockpiled by organised crime groups (OCGs) which will lead to greater availability and the possibility of escalating violence as OCGs re-establish county lines.

- While additional flexibility for councils and partners to support children with Education, Health and Care Plans (EHCPs) is welcome, we should continue to monitor whether further flexibilities are needed, for example on timescales to complete reviews and re-assessments.
- Alongside this, the ongoing statutory requirement to publish data in line with the Local Government Transparency Code 2015 is diverting authorities from other data priorities, such as managing and cleansing the data on shielded individuals. This requirement to publish a wide range of data on items such as union facility time, parking spaces and pay multiples should be postponed or suspended at this time.
- Councils have seen a significant drop in referrals to children's social care since lockdown began. Action is being taken at a local level to address this and ensure that children are being kept safe, and referral rates are picking back up in some areas. We expect a surge in referrals when schools re-open. We are in discussions with DfE about these issues and looking at how all partners can work together on this.

Keeping public services running

- Councils have led their local communities in this time of crisis. They have kept public services running and communities are safe in the knowledge that if they need help their councils will be there for them. Across the country councils have worked hard to keep schools open for the children of key workers. They have got over 90 per cent of the homeless off the streets and into safe accommodation. 98 per cent of kerbside waste and recycling collections have continued as usual. Councils have also stepped up and overnight created new services for the vulnerable who need support whilst self-isolating. Local volunteers have stepped forward in their 1000's to support the communities' they live in.
- The partnership between local and national Government is crucial in this time of emergency. As we look towards measures for preparing communities to exit lockdown there will be a need to flex local services. Local government is ready to work in partnership with national Government to provide this flexibility. This means collectively developing service provision to meet the needs of local communities. As we have co-designed the emergency response, we will need to co-design the 'new normal' and the support our communities will need to move towards exiting lock down and moving towards recovery.
- National messaging around social distancing and carrying out vital activity needs to remain consistent so that councils can deliver effective local services in line with current resourcing pressures. Councils have come under recent pressure to reopen Household Waste Recycling Centres (HWRC), parks and cemeteries. Councils are working with Government to address these requests where possible, whilst maintaining public safety as the main priority.
- The social and economic task ahead is great. We will need to continue to work at speed and embed the new community spirit which has helped us through the worst weeks of the pandemic. We need an empowerment of place leadership (through the convening power of local councils). We ask Government to work with us as we bring together local public and private leaders to reshape services quickly and to customise them to the different needs of our villages, towns and cities.

Bereavement

- Significant additional capacity has been put in place by LRFs across the country as deaths increase. It is welcome that the national pods are also now beginning to be delivered. The risk to storage capacity proving to be inadequate can be minimised by two things: adequate PPE and reducing delays. Firstly, without adequate PPE for those involved in deaths management, there is the risk of funeral directors or others refusing to handle COVID 19 cases, or staff becoming ill themselves or having to self-isolate if colleagues become infected. This will reduce the capacity to hold funerals and create additional pressure on body storage capacity. Lack of social distancing at funerals can also heighten this risk to staff. Secondly, while it is completely understandable that many families wish to delay in the hope that current restrictions will be lifted, if this becomes routine even the enhanced storage capacity could prove inadequate. As restrictions begin to be lifted, there needs to be national messaging that funerals cannot be delayed and that social distancing must continue to be observed at funerals.
- The inclusion in the recent survey sent to CFOs of costs resulting from deaths management was welcome. Many councils have incurred significant costs on behalf of their LRFs in order to provide the capacity that Government figures suggested would be necessary. It will be important that these costs are fully recognised in future funding decisions. As central modelling of expected COVID-19 deaths changes, communicating the latest figures as quickly to LRFs will help ensure adequate capacity is put in place without incurring unnecessary costs.

Livelihoods and economic recovery

- Businesses and communities are rightly worried about their income and livelihoods. Councils have been given the task of delivering a local hardship fund, providing business rates holidays for leisure/retail and getting grants to SMEs. It is becoming clear that the amount is not sufficient given the impact on our local economies. Councils have received the funding for the two grant schemes and this money is being paid out to businesses across the country. Public messaging by Government about the payment of these grants should seek to support councils in delivering this function.
- There are still gaps in support for individuals and some businesses including those who are newly self-employed and cannot access the self-employed income support scheme. Also, support is needed for businesses that are in shared office space or in council or privately-owned business parks, where businesses are not individually rated and where business rates are rolled into rent payments. Evidence from just one council, Plymouth, shows that there are 400 of these businesses in that area, accounting for over 3000 employees. Clarity is also needed on some elements of grant guidance, particularly around state aid, where the government has sought a derogation for the schemes from the EU. This has not yet been agreed.
- A key issue for the hardship fund is sufficiency with many councils not expecting there to be any money available for the discretionary element of the scheme once the council tax relief for vulnerable households has been funded especially given the substantial rise in benefit claimants.
- Councils will need flexibility in the use of a range of levers to support the economic recovery as the emergency measures are lifted. Government can support this by bringing forward: proposals for UKSPF, a devolution White paper that devolves a core set of responsibilities to the local level, including skills; lower borrowing rates for council investment; and proposals to streamline a range of funding pots, with local flexibility on how the pot is used. Councils will want to consider how local economies

can build on the recent transformation in working practices and consider the impact of accelerating trends in sectors such as retail.

- During the pandemic, councils' role as leaders of place has been emphasised as never before. The next journey will be the road to recovery. The scale of the economic, environmental and community challenges that we now face should not be underestimated. The Government has agreed to establishing a Task Force between the LGA and MHCLG ministers to address economic recovery. This will which bring together economic and social partners to ensure a common purpose in driving and coordinating recovery at both a national and local level. The task force will be supported by an advisory officer group drawn from across local government.