



1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and the three fire and rescue authorities are associate members.
2. The WLGA is a politically led cross-party organisation, with the leaders from all local authorities determining policy through the Executive Board and the wider WLGA Council. The WLGA appoints senior members as Spokespersons and Deputy Spokespersons to provide a national lead on policy matters on behalf of local government.
3. The WLGA works closely with and is often advised by professional advisors and professional associations from local government, however, the WLGA is the representative body for local government and provides the collective, political voice of local government in Wales.

INTRODUCTION

4. COVID 19 has had a devastating impact on many peoples' lives and has tragically led to the death of nearly 2,500 people in Wales¹. These deaths, the lockdown period and the requirements for shielding and self-isolation have had a serious impact on well-being and quality of life in local communities. Businesses, the economy and personal finances have been significantly affected and the Welsh, UK and the global economy faces a period of unprecedented challenge.
5. The famous post-war economist John Maynard Keynes said, "When the facts change, I change my mind." This is an apt description of the current context in which we are all currently working. The Committee's inquiry into the COVID-19 pandemic comes during a period of unprecedented uncertainty, with a rapidly changing evidence-base about the virus, continual review of policy direction and regular updating of statutory guidance and regulations.
6. This response therefore provides a high-level overview and snapshot of some of the main issues impacting on local government at this time. As evidence gathering, evaluation and reviews are undertaken, the WLGA's views may be revised accordingly. It is likely that, given the potential length of the COVID-19 emergency, there will be several longer-term inquiries and reviews into different aspects of the UK Government, Welsh Government and wider public service response to the crisis, all of which will enable more detailed evidence and reflection on the responses taken.

¹ According to ONS figures <https://www.data.cymru/covid19/mortality>

LOCAL GOVERNMENT RESPONSE TO COVID 19

7. Councils, along with partners in the NHS, other public bodies and third and independent sectors, are providing a front-line response to the rapidly changing national emergency of COVID-19.
8. Councils have worked closely with partners in planning ahead of the crisis, through Local Resilience Forums (LRFs), during the response phase through the Strategic Coordinating Groups (SCGs) and will continue to do so in the transition to recovery through Recovery Coordinating Groups (RCGs).
9. National leadership has been provided by the Welsh Government and complemented by community leadership through local government.
10. The Welsh Government and local government have a shared commitment to work in partnership. This shared leadership has been demonstrated and strengthened during this crisis and there has been an **unprecedented level of dialogue and engagement and openness, with regular bilateral meetings between Ministers and WLGA spokespersons and weekly meetings between all 22 leaders and Ministers.**
11. These channels of communication have ensured Ministers can engage and communicate national priorities and strategy directly with leaders and has also ensured that local issues and risks are rapidly escalated to Ministers and allow local intelligence and innovation to shape national strategy. This degree and regularity of central-local engagement is not seen in other parts of the UK.
12. Whilst these regular meetings have been constructive, there have inevitably been some challenging discussions, but the level of engagement has been valued by both leaders and Ministers.
13. The WLGA is also working with Chief Executives, Directors of Education, Directors of Social Services, Treasurers, Directors of Public Protection, and Monitoring Officers to inform emergency legislation and shape the emergency response of council services across Wales' communities. The WLGA has also been convening meetings of the 22 Chief Executives and the Welsh Government's Permanent Secretary and Director Generals on a three-weekly cycle linked into lockdown announcements.
14. **While much of the strategy is set nationally, the crisis has demonstrated the importance of ensuring local delivery partners are engaged in its development;** it is not only important to allow flexibility to interpret strategy and respond according to local circumstances and capacity but that organisations with service delivery experience and operational expertise help shape the strategic response.
15. Councils have demonstrated that they are uniquely placed at the heart of their communities and public service delivery and so are invariably the first port of call for the most vulnerable or those in need of support or assurance.
16. **Councils have demonstrated flexibility, innovation, resilience and responsiveness.** The crisis has demonstrated councils' ability to respond irrespective of scale and reaffirmed the WLGA's

stance on the importance of subsidiarity and localism, with elected members and officers rooted in their local communities.

17. **Councils' immediate response was decisive; within days and weeks, councils redesigned and reprioritised essential local services, suspending some services and introducing new operating models**, with thousands of workers working remotely and many thousands of workers in other services volunteering to temporarily change roles overnight to help contribute to the emergency effort.
18. **Councils have had to restructure around essential services** such as social services and new support services such as shielding, key worker hubs and Test, Trace and Protect teams, this initially involved staff being redeployed and, in some instances, the furloughing of staff. The significant contribution of thousands of council workers has been widely recognised and they should be commended for their flexibility and their compassion and commitment to the communities they serve.
19. **Councils have introduced rapid service reform and transformation and have been relied on to deliver under the most challenging of circumstances**, responding to rapidly changing local and national priorities, plans, guidance and regulations. Examples include:
 - **Social services and care workers are on the frontline** working in some of the most challenging, testing circumstances alongside colleagues in the NHS;
 - Councils have played a central part in responding to the health emergency crisis with the **rapid building of field hospitals and temporary mortuaries**, often repurposing council leisure centres or conference venues;
 - Councils have been **central to coordinating support for the most vulnerable in our communities**, working with volunteers and partners in the third sector, through the shielding scheme, providing food boxes and supporting food banks and other vital services, including responding to unprecedented increases in demand for welfare advice, claims and support;
 - Working with the Welsh Government, **councils have transformed homelessness services**, providing emergency temporary accommodation and putting in place vital support for hundreds of homeless people, laying the foundations for a future which could see the ending homelessness in Wales;
 - coordination of free school meals, hubs for key workers in schools and, in recent weeks, the **return of schooling for all year groups (check in, catch up) in Wales before the summer holidays**;
 - the rapid **distribution of £747m to over 62,000 businesses** and development of innovative proposals for flexible local bursaries to support smaller businesses outside of national business support arrangements; and
 - the **central role of councils in the roll-out of Test, Trace and Protect (TTP)**. Councils' local knowledge, operational flexibility and public protection experience and expertise are critical in ensuring the trace and protect elements help contain the virus and provide the foundations for easing of the lockdown. **Collaboration and mutual aid has been a key feature of the initial roll-out**, with councils deploying staff capacity to support tracing in other authorities in response to significant local outbreaks.

COMMON THEMES

20. There WLGAs are contributing to several Committee Inquiries into COVID 19 (including a separate session of this Committee on housing). The evidence submitted to these² provides further detail regarding the challenges faced and local government's response during the early phase of the crisis within social care, schools and services for children and young people.

21. There are several common issues, these include:

- **The response has been an enormous challenge for all public services.** Whilst everyone has done their best in difficult circumstances things have not always been right first time, but the focus has always been on delivering the best outcomes and learning lessons. We also need to acknowledge that things could have worked better during the initial outbreak, particularly in relation to some Welsh Government departments and national agencies' communications, engagement and approaches to joint planning.
- **The approach from national commissioners and regulators has been welcome;** overwhelmingly they have recognised the challenges and pressures faced by local government and have reviewed or suspended activity and aimed to provide guidance and support where possible
- There has been **well-documented public confusion and challenges around coordination given differing Welsh Government and UK Government announcements**, which has been exacerbated by the disproportionate consumption and messaging of UK-based media coverage in Wales. This is not a new issue but has led to more significant problems during the crisis when accurate and specific communication has been so important.
- The **differential spread of the virus across Wales' communities, authorities and regions** has brought with it challenges. The distribution and prioritisation of resources in response to COVID 19 has inevitably varied across Wales as communities and public services have reacted to regional variations and peaks in the spread of the virus. This has had a significant bearing in scaling up emergency provision and the planning of some aspects of easing the lockdown, in particular around the economy, the hospitality sector and tourism;
- The **pace and urgency of the response phase has been incredibly challenging for the Welsh Government and all in public services** and this has continued into the transition phase as we have moved into easing lockdown. Despite effective and regular political dialogue and several examples of co-construction of timetabling and guidance between officials, the approach to engagement between officials has not always been consistent and it has been challenging for local authorities to plan for the operational implementation of announcements and reintroduction of some services with limited notice.
- **Effective testing in our communities is the vital element of the national effort to control, contain and reduce the spread of COVID-19.** The concerns and experiences with the initial testing regime in the early weeks of the outbreak have been well-documented; there was a lack of capacity, communications were inconsistent, and the process was complex and

² [Health, Social Care and Sport Committee](#) [Oral Evidence](#) - [Written Evidence](#)
Children, Young People and Education Committee – [Written Evidence Only](#)
Culture, Welsh Language and Communications Committee – [Oral evidence only](#)

unclear particularly in care homes. Capacity and accessibility of testing has since improved and all those in need of a test can access one. The timeliness of test results more generally remains a challenge, which will be critical to the effective implementation and success of the TTP process and the future control of the virus as the lockdown is eased.

- The Senedd's Health, Social Care and Sport Committee report published on 7th July highlights the **huge challenges faced in social care and devastating impact of COVID 19 on the most vulnerable in our care homes, our communities and those who care for them.** During the early phase of the outbreak, the WLGA repeatedly made the case for prioritising of adequate supply and guidance for PPE for care workers and the testing of social care staff and for care home residents discharged from hospital. Significant progress with testing of care homes, residents and staff has been made over the recent period, and the WLGA welcome the current weekly testing of staff over a 4-week period and are keen to understand the future plans for testing in care homes. The Senedd Committee's report contains several recommendations and local government will consider the report in detail and work with the Welsh Government and others to address key issues which will lead to improvements and greater resilience in social care as we continue to respond to the pandemic and prepare for any second wave or localised incidents in the future.
- **The availability, distribution and guidance around PPE has been a key subject of debate.** At the start of the outbreak, local government raised significant concerns about the limited availability of PPE from Welsh Government stocks to local authorities, in particular for social care staff. There was a lack of clarity on stock levels and often inconsistent and incomplete supplies were distributed to authorities. Concerns about the supply of PPE dominated early discussions between leaders and Ministers and remained a significant risk for many authorities. Since the onset of the crisis, a significant amount of work and engagement has been undertaken, led by a national group convened by Deputy Minister Lee Waters MS. This group has led to significantly improved coordination, communication distribution and procurement of PPE and ensured stock-levels are better placed for any future second peak. While this is an area under constant monitoring and review, there is confidence that appropriate levels of PPE are available to meet current needs; with three weeks' availability from stock and robust lines of re-supply in place. A clear long-term strategy is needed for the sustainable supply of PPE with clarity around the distribution, so that this vital protective equipment continues to reach where it is needed in a timely way.
- Local government is acutely aware of the **significant and disproportionate impact on the poorest and most vulnerable in our communities** throughout lockdown and shielding; in particular the financial consequences of the lockdown and greater risk and health impacts of COVID 19, the increased risk and incidence of domestic abuse, increased isolation and loneliness, the impact on mental health and wellbeing, and the concerning disproportionate impact on certain groups such as disabled people and BAME people. The WLGA contributed to the work of the BAME Advisory Group and leaders have written to the chair, Judge Ray Singh, to discuss what actions authorities can prioritise in response to the group's work.
- **Ensuring learning continuity and providing educational and wellbeing support to a cohort of children and young people** experiencing a uniquely challenging and disruptive period in their pedagogical and personal lives has been a significant challenge. Schools, teachers and councils have played a critical role in introducing hubs for key workers, coordinating FSM

and providing resources and remote learning opportunities during this period. Councils welcomed and were supportive of the Welsh Government’s plans to re-introduce schooling before the end of the Summer Term through ‘check-in and catch-up’, although agreement across Wales on extending the term into the Summer Holidays for a fourth week was not possible, despite intensive discussions led by the WLGA. Schools, teachers and councils should be commended for responding proactively and rapidly dealing with complex preparations to ensure schools were ready for learners’ return. Leaders, through the WLGA, are in close dialogue with the Minister for Education to encourage the early confirmation and planning of a return to school for all pupils in September, which is expected to be confirmed during the week of 6th July.

FINANCE

20. After initial issues around cash flow in the first months of the new financial year, the main financial implications for local government have fallen under three headings: additional expenditure pressures; income loss from sales fees and charges; and falling collection rates for local taxes.
21. The Welsh Government’s Supplementary Budget set out the additional funding that has been made available to local government so far. In addition to the £110m that had been made available for expenditure pressures there was £78m available largely for income loss. The £110m is broken down in Figure 1 below.

Figure 1: Breakdown of £110m funding for revenue pressures

	Amount	Runs until	Current position	Possible way forward
Free school meals	£40m	30/8	£10.4m	Position will become clear after June with another month of claims.
Temporary mortuaries	£7m	30/6	£1.6m	Need to pursue estimated final costs.
Homelessness	£10m	30/6	£2.3m	Remainder will be added to the recovery pot of £20m (£10m revenue, £10m capital)
Adult social services	£40m	31/5	£21.4m	Potential roll forward for the remainder to meet June costs. More money being sought for next quarter
General	£13m	30/6	£15.4m	Overspent already – need to request further funding / repurposing for June

22. Claims for expenditure pressures are being submitted retrospectively for actual costs incurred monthly. The monthly claims process for expenditure pressures is working well and we understand that £51m of expenditure has been claimed from the original fund. At the time of writing many of the claims up to and including those from May have been processed, though there are some claims to be resolved over certain services.
23. We have little doubt that June claims will account for most of the balance but it is important that the government is flexible in rolling funds forward and, if needed, moving resource from

one pot to the other to match potential overspends with underspends. Additional funds could be added to the fund as Welsh Government announce resources for new areas such as the Test Trace Protect. We understand that £45m has been made available to fund the contact tracing functions of this initiative.

24. The WLGA is also pressing the Welsh Government to add the Council Tax Reduction Scheme (CTRS) to the hardship fund. Local authority Treasurers have indicated an out-turn figure for additional CTRS pressure of £2.85m for the first quarter and the caseload will only increase as the individuals come off the furlough scheme and as a result of anticipated job losses.
25. A claim for income loss in the first quarter has been returned to WG for £75m, which is close to the £78m estimate. Local authorities have been transparent about their savings, and what is potentially recoverable income, so that the £78m is a net figure. The process for claiming income loss is more complex and Welsh Government officials working through the detail with local authority Treasurers. There are real concerns about the time it is taking to process the claims on income loss and whether the Welsh Government will limit the scope of claims in order to ration the amount. We do need urgent clarity to confirm the amount available and what is claimable.
26. Apart from expenditure pressures and income loss, the third element to the growing budget gap is lost tax collection. Of immediate concern is council tax collection where there is now clear evidence of falling collection rates though it is accepted that we cannot differentiate between tax that is lost and that which is deferred. Nevertheless, up to the end of May, there was an average reduction in the collection rate across Wales of 1.4% compared to the same time last year. This ranged from a 0.8% reduction at one end of the range to 2.6% at the other. If it is lost, then income will fall by £25m for the full year even on the optimistic assumption that things do not get any worse.
27. In the longer run we may need to understand more about business rates and who ultimately bears the risk if receipts dip substantially and the Non Domestic Rates (NDR) pool provides insufficient resources to next year's Aggregate External Finance (AEF).
28. In England, additional flexibility is being provided through the collection fund to cope with part of the local taxation loss risk which will give councils a chance to recover income over a longer period. This approach could also be explored for Wales as a back-up. It may need rapid legislative amendment.
29. As a local government community, we believe that the UK Government need to provide further funding and increased flexibilities. The WLGA Leader, along with the Presidents of the Convention of Scottish Local Authorities (COSLA) and the Northern Ireland Local Government Association (NILGA) have written recently to the Chancellor on these issues. Cllr Anthony Hunt and Cllr Carol Clement-Williams as our Finance Spokespersons have further written to the Chancellor to highlight some Wales-specific issues and support the Finance Minister's call for additional flexibilities for the Welsh Government.
30. The WLGA is aware that in England, the Secretary of State for Housing, Communities and Local Government recently announced funding arrangements for English councils, and we need to make progress on agreeing a more comprehensive package for Wales. We estimate the Barnett

consequentials for Wales from local government and schools' announcements now total £280m and this does not include any consequentials for lost income.

31. While there is still some debate in England over the financial sustainability of some authorities, the Chartered Institute of Public Finance and Accountancy (CIPFA) recently updated its guidelines regarding the issuance of notices under Section 114 of the Local Government Finance Act 1988. Treasurers and the WLGA have been keeping a watching brief on this

RECOVERY AND RECONSTRUCTION

32. In addition to the phased return of council services as lock-down is eased, local authorities also play a critical enabling role for the wider easing of lock-down of the economy and society and supporting and enabling other public services.
33. Given the unique nature, scale and continuing uncertainty around the crisis, the transition phase to recovery will be prolonged. It is also likely that there will be local variations in approaches and restrictions as circumstances vary across Wales given the risk of localised spikes in infection rates or even a second peak later in the year.
34. There remain several future Welsh Government policy decisions and challenges or risks that will need to be monitored and mitigated throughout transition and in advance of recovery including:
- The R rate locally, regionally and nationally across Wales and the risks of a second peak or combined pressures of winter-flu and the timely sharing of Public Health Wales data and modelling with local authorities;
 - The successful roll-out of Test, Trace and Protect, in particular the strong case for continuation of furloughing or other financial support for individual workers who need to self-isolate and businesses who may need to enter into a 'mini-lockdown' as experienced in recent local outbreaks in Wales;
 - Options and implications should local lockdowns be introduced to control localised outbreaks in future;
 - The impact of and continued compliance with any Welsh Government position on social distancing, including a position on face coverings and the continuation or revision of the 2m rule, as lockdown is gradually eased (or is re-introduced, if necessary);
 - Organisational capacity to manage responses to easing of lockdown, notably enforcement depending on level of compliance with guidance from businesses and the public;
 - Workforce health and wellbeing and the capacity and resilience to introduce prior or new services, particularly given staff self-isolation, shielding or redeployment into other roles such as contact tracing;
 - Significant localised and national socio-economic challenges given the immediate economic impact and likely recession, including increased unemployment and take-up of universal credit and other benefits;
 - Health and social care capacity, particularly as 'routine' health services are reintroduced and contingencies for local spikes or future peaks are planned, as well as likely increased demand for social care and carer assessments and services and latent safeguarding concerns; and

- Precarious public service finances, with significant short and medium-term pressures faced particularly by local authorities along with future uncertainty around the UK Government's budgetary response to the economic fallout of COVID 19 and the impact of Brexit.

35. Recovery and reconstruction have been the subject of recent discussions between local authority leaders and Ministers during the past month, through bilateral meetings and the regular weekly meeting between the leaders and Ministers, a 'Recovery Roundtable' meeting involving the Counsel General and the Minister for Housing and Local Government, Partnership Council and the establishment of a Recovery Sub-Group of Partnership Council.

36. Initial proposals emerging from discussions include the following:

- **Locking-in the transformation of organisational working and service delivery**, the scope for increased use of digital, new more agile and multi-disciplinary ways of working with consequent impact on office usage, the environment and workforce well-being;
- **Building on community resilience, co-production and the role of citizens** - building on new behaviours, commitments and contribution of communities and volunteers;
- **Opportunities to embed or expand modal shifts in transport**, through active travel, public transport and alternative ways of working;
- **Recognising the primacy of and reinvesting in sustainable social care** given its interdependence with the NHS and ensuring councils have a clear role in reducing the fragility and fragmented nature of independent provision;
- Sustaining the rapid improvement and transformation of homelessness services and **achieving the goal of ending homelessness in Wales**;
- **Rebuilding and reinvesting in modern local economies** through local procurement frameworks, prudential borrowing for public sector construction, including strategic housing developments, modern modular methods of construction and boosting the construction sector. Rethinking the jobs and skills that will be needed in the future and the role of local councils in an expanded and enhanced apprenticeship scheme;
- **Investment in preventative health measures** and the role of public health, including active travel and healthier lifestyles in terms of the food and drink offer and supply chain;
- **Preserving and sustaining environmental improvements** experienced during the lockdown, due to reduced emissions, footfall and traffic. Investing in renewable and low carbon energy projects and flood alleviation schemes, which will benefit the local economy and environment; and
- **Promoting and sustaining the renewed political and public recognition and respect for public services and front-line workers**, settling a lasting shared commitment to and mutual responsibility for community and public service outcomes.

37. COVID has had a devastating effect on local economies and communities. According to the ONS (June 2020), UK GDP fell by 20.4% in April which reflects record falls in services, production and construction output. It was recently reported that nearly a third of a million employees (just over a quarter of all employees) in Wales have been furloughed. Over 100,000 self-employed in Wales have received financial assistance via the Self Employed Income Support scheme. The WLGA has written to the Chancellor of the Exchequer welcoming the furlough scheme and calling for its continuation, without being subject to tapering, and in particular part of the Test, Trace and Protect arrangements to encourage and support participation by low paid workers

and companies whose operations are seriously affected by staff having to isolate or, in some cases close temporarily.

38. Given the immediacy of the severe economic challenges facing Wales and its communities, leaders have called for an ambitious programme of investment in several programmes which could help rebuild Wales' communities and economy. These co-ordinated programmes would:
- help meet a range of existing economic, social and environmental policy priorities;
 - create rapid demand for local contractors and their workforces, generating income and jobs in local economies;
 - help Wales in working towards statutory decarbonisation targets; and
 - increase resilience, making communities across the country, rural and urban, less susceptible to external shocks in future.
39. The WLGA is developing proposals for a mixture of supported local government borrowing, paid back over a number of years and income streams that would be generated (e.g. rental income or payments for energy) that could inject significant immediate investment into Wales' communities and economies through local authority capital programmes.
40. Drawing on the discussions to date, a 'top ten' list of programmes to 'build back better' was submitted to Ministers and discussed at the Recovery Sub-Group of 6th July:
- 1) Affordable housing
 - 2) An energy programme covering generation (facilities, smart grids and storage) and consumption (in buildings, vehicles)
 - 3) Social care and primary care infrastructure
 - 4) Continuation of the 21st century schools programme
 - 5) Circular Economy infrastructure for better resource management
 - 6) Better transport through well-maintained highways, more integrated public transport and enhanced provision for active travel
 - 7) Innovation, digital enhancement and connectivity
 - 8) Business / industrial property and support
 - 9) Natural and physical flood defences, sustainable drainage, green infrastructure and sustainable tourism
 - 10) Investment in human capital via skills training and apprenticeships.
41. These programmes would be mutually reinforcing, all enhancing the quality of life and well-being across all sections of the community. The investments under each programme relate to the 'bread and butter' of local government services. They are therefore different in nature, but complementary, to other planned investments, such as those associated with Regional Economic Frameworks and City and Growth Deals.
42. WLGA Group Leaders have written to the Counsel General and the Minister for Housing and Local Government to expand on the proposals behind each programme, including initial estimates of costs and possible returns. WLGA officers are currently collating the evidence base to underpin these proposed programmes, using information about 'shovel ready' projects

supplied by individual authorities. These proposals will be further considered at a future meeting of the Recovery Sub-Group of Partnership Council.

43. Initial estimates indicate that an investment of around £745m would be needed to take forward projects across the ten themes, across all 22 authorities. Repayment would require a revenue stream of £46m over 20 years or £31m over 40 years (less when income generation is taken into account). Ideally, this approach could be built upon over time, so that it develops into a five-year forward programme and is fully integrated with the infrastructure investment plan.

CONCLUSION

44. We recognise that in these extraordinary times all public service partners have done their best in the most challenging of circumstances; there are lessons to be learned and not everything has been done right first time, the focus has always been on delivering the best outcomes. Whilst there have been challenges and difficulties, and more are likely to come as we continue to respond to and recover from the impact of this crisis, the significant progress that has been made in a short space of time should be recognised.
45. Local authorities have played a vital part of the front-line response; they have demonstrated community leadership, they have been adaptive, innovative, responsive, flexible and have been relied upon to deliver. Councils have continued to be the first port of call for the most vulnerable in our communities, whilst delivering rapid organisational transformation, redeploying staff to prioritise core services and introduce new services to support the COVID 19 response.
46. Local authorities have played a critical role in easing the lockdown and re-introducing valued services safely and are setting out an initial programme for recovery and reconstruction, an economic stimulus package that would address long-standing challenges, reinvigorating and rebooting our local and national economy.
47. Much of this ambitious agenda will require a partnership approach, delivery of shared ambitions for regeneration and recovery shaped through the strengthened political relationship between Ministers and council leaders. This political relationship, where dialogue and joint decision-making has become direct and immediate and councils are trusted to deliver, needs to be extended throughout Welsh Government departments to ensure that regulation and risk is proportionate, bureaucratic burdens are minimal and discretion and flexibility for local delivery is maximised.
48. Local government looks forward to playing its part in a relationship based on renewed trust with subsidiarity the foundations of plans for the recovery and reconstruction of our communities, our economy and our public services in Wales.