LGA submission to the APPG on the Green New Deal ‘Reset’ Inquiry
July 2020

1. About the Local Government Association (LGA)

1.1. The Local Government Association (LGA) is the national voice of local government. We are a politically-led, cross party membership organisation, representing councils from England and Wales.

1.2. Our role is to support, promote and improve local government, and raise national awareness of the work of councils. Our ultimate ambition is to support councils to deliver local solutions to national problems.

2. Summary

2.1. Councils should have a lead role in post COVID-19 recovery plans. The economic, social and environmental recovery our communities need will look different in different areas of the country and only a locally coordinated response will be effective.

2.2. It is vital that the recovery is climate smart, and councils are well placed to deliver on environmental goals, with 230 councils having declared a climate emergency and nearly two-thirds of councils in England aiming to be carbon neutral by 2030. The LGA is committed to supporting local government to continue on this journey.

2.3. The response to COVID-19 demonstrates that centralised design and control of public services from Whitehall does not work as well as an
approach that enables councils to innovate and create services that are tailored to their communities and localities, with government departments supporting councils instead of looking to them as delivery agents. The limitations with taking a command and control approach can be seen, for example, around PPE provision and support to the shielded cohort, where involving councils in the design and implementation of national policy at an earlier stage would have avoided several of the problems that were encountered. Early engagement with councils on these points would also have resulted in greater effectiveness of the systems put in place.

2.4. It is important that investment in economic recovery supports other national priorities such as house building. We are calling for the Government to finance the construction of 100,000 high quality social homes every year. Further investment in retrofitting, sustainable construction and improving our existing housing stock will help communities reap the long-term economic and environmental benefits of the low carbon transition. This will support the shift needed for the green and sustainability sectors and help grow our green economy, as well as increasing housing supply where it is most needed.

2.5. LGA commissioned analysis by Ecuity\(^1\) estimates that there could be 700,000 direct total jobs in England’s low-carbon and renewable energy economy by 2030, up from 185,000 in 2018. Moreover, between 2030 and 2050, the low-carbon workforce could increase by a further 489,000, taking the total number of jobs to more than 1.18 million by 2050. These jobs would aid the economic recovery from COVID-19, whilst helping the Government achieve its Net Zero target.

2.6. It is also vital that the economic recovery is inclusive, as emerging economic indicators point to varied sectoral, geographic and demographic impacts.

2.7. The Government has committed to a Devolution and Recovery White Paper and to ‘level up’ powers and investment in regions across England. The unprecedented challenge of economic and social recovery following the current crisis will require these plans to be accelerated and expanded. Alongside this, funding for growth and infrastructure must be reformed so that councils can plan with more certainty and ensure that schemes will deliver long-term prosperity and sustainability.

2.8. The LGA’s Rethinking Local campaign\(^2\) and Councils Can report,\(^3\) set out how a new localism settlement could strengthen local government and help councils to support their communities and local economies through the recovery from the COVID-19 pandemic and beyond.

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**Part One: Lessons from Covid-19**

3. **What policy measures or initiatives were introduced in response to Covid-19 that we should look to replicate for the long-term?** We

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\(^{1}\) [https://www.local.gov.uk/lga-over-million-new-green-jobs-could-be-created-2050](https://www.local.gov.uk/lga-over-million-new-green-jobs-could-be-created-2050)

\(^{2}\) [https://www.local.gov.uk/about/campaigns/re-thinking-local](https://www.local.gov.uk/about/campaigns/re-thinking-local)

\(^{3}\) [https://www.local.gov.uk/about/campaigns/councilscan](https://www.local.gov.uk/about/campaigns/councilscan)
welcome any submissions, but are particularly interested in the following policy areas:
- Health and social care
- Social infrastructure, including mutual aid and community organisations
- Housing and homelessness
- Transport and travel, including cycling and walking
- Education and training
- Business and manufacturing
- Food and farming
- Access to nature, nature restoration and green spaces
- The public realm, including the removal of statues
- Employment (home working, quantity and quality of employment, labour standards, wages and security of income)
- Banking, finance and debt
- Tax and public finances

3.1. The LGA has been offering solutions for many of the policy areas highlighted by the APPG well before the outbreak of COVID-19. This includes a long campaign calling for reform of adult social care and long-term financing of local government.

3.2. There are many examples of services collaborating in new and effective ways as a response to COVID-19. To take the example of health and social care, new ways of working have led to a number of successes including:

3.2.1. As is evident from the Care Home Support Plans, all localities have developed support hubs or teams, with daily monitoring of data, issues and requests from care homes; increasingly data is shared to enable a single, unified response. This has minimised duplication of contact and enables more proactive early identification of issues. These hubs are available to provide advice and address issues, such as PPE shortages, on request. Many councils, such as the Isle of Wight, have a dedicated team which responds on the same day to any ‘red alert’ by a care home.

3.2.2. Home has become the default for discharge destinations, with the new model promoting 95 per cent of people over 65 going home, with half of these needing no ongoing support.

3.2.3. All assessment for care needs have moved out of hospital in a ‘discharge to assess’ model – this is generally now being undertaken by one professional in a trusted assessment model.

3.2.4. Many localities have established workforce hubs, which have enabled the redeployment of staff across partners. For example, several councils have upskilled staff to be deployed to care providers where needed. Many have run effective local recruitment campaigns such as North Central London’s ‘Proud to Care’. Cambridge and Peterborough, meanwhile, have trained and matched volunteers to homes according to need.

3.3. Homelessness and rough sleeping is another area in which the crisis has brought about a step-change in policy. The ‘Everybody In’ initiative has seen local government work with partners to house almost 15,000 vulnerable people in emergency accommodation since the start of the
pandemic. This presents a significant opportunity to make a long lasting change and as the country begins to recover it will be vital to ensure that these people do not end up returning to the streets. Councils look forward to working with the Government through the Next Steps Accommodation Programme to achieve this.

3.4. Lockdown measures which restricted travel have led to significant increases in walking and cycling. This has led to improvements in air quality and we should seek to maintain this in the longer term through continuing to encourage uptake of forms of active travel. We have also seen an increased appreciation for parks, green spaces and nature since the start of the pandemic. Polling from the CPRE has shown that over two-thirds of people now want to see local green spaces enhanced with more plants and wildlife.

3.5. COVID-19 has redefined how we all think about where and how we live. A conversation with our communities must be the starting point for planning the recovery. Councillors and their councils have been the true leaders in helping their communities through the pandemic. Allowing councils to act will drive the recovery and meet the ambitions of the diverse communities represented by local government. We are calling for a stronger working relationship across Whitehall so that we can effectively engage all of government in a conversation about how we build services for the future.

3.6. Our Re-thinking Local report sets out our asks of government and an offer of how local government can rise to the challenge.

4. What were the benefits (including any unexpected benefits) of some of the policy measures implemented in response to Covid-19 that we should look to secure for the long-term, and how could this be done?

4.1. The LGA has provided detailed evidence on the impacts of measures implemented, both positive and negative, in our submission to the House of Lords Public Services Committee inquiry into ‘Public Services: lessons from coronavirus’. We also provide a regular summary of key issues for councils that is discussed by the LGA Executive and the paper published on our website.

4.2. As the APPG has framed its areas of interest around a green and fair recovery, it is worth reflecting on the impact of emergency coronavirus measures on the environment. Restrictions on travel have improved air quality and highlighted the importance of local green spaces to physical and mental health. We should look for ways to sustain these benefits beyond the COVID-19 response and into the longer term.

5 https://www.bbc.co.uk/news/uk-england-52202974
7 https://www.local.gov.uk/about/campaigns/re-thinking-local
8 https://lga.moderngov.co.uk/documents/s27681/LGA%20Headline%20Work%20and%20Key%20Asks.pdf
4.3. As a sector, transport contributes 33 per cent of UK CO2 emissions and we therefore need to reduce emissions from this sector if we are to meet our climate change aspirations. Recovery plans should seek to build upon the increased use of forms of active travel during the pandemic, such as walking and cycling. Confidence in public transport may remain an issue because of fears over the transmission of COVID-19, leading to a drop in use. To encourage people away from cars we need ongoing support and investment in public transport. Government needs to follow up the announcement of a National Bus Strategy with meaningful action and given the medium to long-term reliance on public funding, councils need to be given oversight powers.

4.4. The lockdown period has demonstrated an increased awareness of the importance of physical activity to personal health and mental wellbeing. Access to parks and greenspace has been fundamental to this. A new approach to integrating publicly accessible green space into new developments, especially for brownfield sites, will be important to attracting customers, businesses, employees and maintaining this increase in healthy habits. We also know that parks in England provide an urban cooling benefit estimated at £48 million per year, while the value of carbon sequestration by trees in public parks is estimated at £9 million per year.9

4.5. The Environment Bill will introduce new duties on public bodies to sustain nature and the environment, including a new system of biodiversity net gain in all new development. We support this principle but have concerns about the implementation. Where biodiversity measures cannot be delivered on site, the “credits” should be retained by local authorities so that funding stays in the area where development takes place, and local people can have a say in how this funding can be used to improve the natural environment. Planning departments will need to be provided with the right skills and resources to make this work.

5. What existing weaknesses in UK society and economy made the response to Covid-19 more difficult, and how might these be addressed to improve life in the UK and reduce the risk of future crises?

5.1. The current national approach to growth funding has struggled to address challenges and opportunities of achieving inclusive growth, better housing and infrastructure and green recovery. As an example of this, LGA research has found that £23 billion of public money was spent on growth, regeneration and skills, fragmented across 70 different national funding streams and managed by 22 government departments and agencies.10 The need for reform of the current fragmented and centralised skills system is all the more acute given the impacts of the current crisis on employment and employers.

5.2. For the short to medium term, councils are keen to stabilise local economies and have called on the Government to bring flexibility and

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9 [https://drive.google.com/file/d/1uMcBkQNikxrUzqfIk55P6aOafOJSBr/view](https://drive.google.com/file/d/1uMcBkQNikxrUzqfIk55P6aOafOJSBr/view)
10 [https://www.local.gov.uk/sites/default/files/documents/Is%20the%20grass%20greener%20-%20fragmented%20funding%202016-17.pdf](https://www.local.gov.uk/sites/default/files/documents/Is%20the%20grass%20greener%20-%20fragmented%20funding%202016-17.pdf)
5.3. In the longer term, the only way to level up the economy, to improve life in the UK and reduce the risk of future crises, is to let council’s act. Central decision-making will deliver the same results it has for decades, with unequal growth across the country. If councils are empowered in this way, local government can get local economies started again and deliver a pipeline of long-term investment that will revive the economy and deliver economic, social and environmental transformation. The policy levers councils need to do this include:

5.3.1. **Local Industrial Strategies**: recalibrated with an explicit focus on economic recovery (Local Economic Recovery Strategies) with councils as the preeminent partners in developing and implementing local responses.

5.3.2. **UK Shared Prosperity Fund (UKSPF)**: Proposals for the UKSPF need to be brought forward at pace and underpin local efforts to drive economic recovery in the medium-long term. Councils and combined authorities should be responsible for the design, prioritisation, commissioning and oversight of the UKSPF, which should be allocated in line with local need and support the move towards a single pot for growth funding.

5.3.3. **State Aid**: Government should explore how the new regime could provide councils with greater flexibilities to support non-profit-making activities or local social enterprises who reinvest surplus back into the local community.

5.3.4. **English Devolution**: the proposed White Paper on English devolution should be brought forward and focused on providing an English devolution baseline with a package of powers over employment and skills, planning, housing and transport made available to councils everywhere.

5.3.5. **Skills**: a multi-agency approach is required, led by councils and combined authorities. This should be based on Local Labour Market Agreements / Work Local model. Significant national investment will be needed in all training and back to work support. Local Labour Market Intelligence based careers advice and guidance will help prioritise increased levels of funding. Targeted support for specific groups vulnerable to COVID-19 related job loss but also those low skilled / unemployed even before COVID-19.

5.3.6. **Inclusive recovery**: Government must place inclusiveness at the core of its recovery strategy. Councils to shape more inclusive local economies and create and maintain wealth within local areas through public sector procurement, supporting social enterprises, community
asset transfers and providing more affordable transport, housing and improved connectivity.

5.3.7. **Sector Led Improvement**: the LGA will develop a support offer in relation to supporting councils on local economic recovery and we will continue to engage with councils to ensure that this support reflects the challenges that councils face in that phase.

5.3.8. **European Structural Investment Funds (ESIF)**: involve councils in the review of the current project pipeline so programmes can concentrate on COVID-19 issues and be assured that their running costs will be continued to be met, as far as possible. Remaining funds should support those businesses / residents most in need within the ESIF framework.

6. **What has the pandemic revealed about how we make decisions in the UK, and how well it enables us to respond to complex challenges?**

6.1. The response to COVID-19 demonstrates that centralised design and control of public services from Whitehall does not work as well as an approach that enables councils to innovate. This means creating services that are tailored to their communities and localities, with government departments supporting councils instead of looking to them as delivery agents.

6.2. The issues with taking a command and control approach can be seen, for example, around PPE provision and support to the shielded cohort, where involving councils in the design and implementation of national policy at an earlier stage would have avoided several of the problems local authorities encountered. Early engagement with councils on these issues would also have resulted in greater effectiveness of the systems put in place.

6.3. The response to the COVID-19 pandemic shows the value of local approaches. The results of public polling commissioned by the LGA\(^\text{11}\) shows that resident satisfaction with local government's response to COVID-19 is high and councils are trusted to support communities in this national crisis. It is essential that this is a key lesson that shapes national policy making in the future. Councils as democratically elected leaders should be able to shape priorities locally to ensure communities are more resilient to future shocks.

**Part Two: Resetting UK Society after Covid-19**

1. **What should be the primary aims of a post-Covid economy, and how should progress against those aims be measured?**

1.1. It is vital that the role of local government is recognised and at the forefront of government investment in economic recovery. Councils and combined authorities have already demonstrated their critical role in

helping government with both the COVID-19 pandemic response and also with protecting businesses and jobs.

1.2. Economic recovery needs to meet wider national and local priorities beyond just economic growth. The recovery is an ideal opportunity to make great advances on inclusive growth, skills and employment, including green jobs, and meeting future housing needs.

1.3. Economic recovery needs to be inclusive. The Office for National Statistics has raised concerns that people living in the poorest areas of England are twice as likely to die from COVID-19. The pandemic has and will exacerbate economic inequalities and exclusion. Research undertaken by IPPR North and commissioned by the LGA\textsuperscript{12} outlines the steps councils are taking to ensure their communities and local economies are more inclusive.

1.4. COVID-19 presents a significant challenge for councils—creating sudden and potentially permanent social and economic changes, drastically increasing the financial burden on councils, and ending a period of national economic growth. While the prospect of a swift return to growth seems remote, we now have a real opportunity to lay the foundations for more inclusive economies in the future.

2. What shape should government stimulus packages have if they are to deliver an economy that is greener and fairer, and what should they include? We are particularly interested in evidence that shows how any stimulus package might this contribute to:
   a) government commitments to ‘levelling up’
   b) the UK’s equitable contribution to the 1.5 degree temperature goal of the Paris climate agreement

2.1. In respect of driving progress towards Net Zero, there is political consensus that green jobs should be boosted to aid recovery. Research from the LGA shows that nearly 700,000 jobs could be created in England's low-carbon and renewable energy economy by 2030, rising to more than 1 million by 2050\textsuperscript{13}.

2.2. Nearly half of these jobs will be in clean electricity generation and providing low-carbon heat for homes and businesses (manufacturing wind turbines, installing solar panels and installing heat pumps). Around 40 per cent of jobs will be involved in installing energy efficiency products, such as insulation, lighting and control systems; providing low-carbon services, including financial, legal and IT; and producing alternative fuels, such as bioenergy and hydrogen. The remainder will be directly involved in manufacturing low-emission vehicles and the associated infrastructure.

2.3. To help meet national climate change targets and capitalise on the green jobs revolution, councils need to be given long-term funding for skills and employment programmes, devolved powers and easier access to complex government funding pots.

\textsuperscript{12} https://www.local.gov.uk/inclusive-economies
\textsuperscript{13} https://www.local.gov.uk/lga-over-million-new-green-jobs-could-be-created-2050
2.4. The Government has recently announced the Kickstart job guarantee scheme for 16-24 year olds. We are calling for the scheme to be co-designed with local government. This will be crucial in helping communities to ‘level up’ and ensure that no one is left behind.

2.5. At a time when business confidence is low, we need a fiscal stimulus package to address businesses support, employment and climate change. A good example would be improving the existing housing stock both for building safety and fire safety reasons and to meet carbon targets. This includes investing in social housing. We are calling on Government to urgently bring forward its commitment for a £3.8 billion capital Social Housing Decarbonisation Fund.

2.6. Improved energy efficiency and increased use of renewable energy should be part of any revised Decent Homes Standard. This would provide a national stimulus to kick start the deep energy retrofit of all homes by investing in an energy revolution in social housing. Councils must also be able to require higher energy efficiency standards than those in building regulations after 2020, in support of their local ambitions to achieve net zero carbon homes.

2.7. Modern methods of construction will be important in delivering more sustainable homes at scale. The Government should encourage the housebuilding industry to invest in the change needed to deliver innovation in construction techniques.

2.8. Keeping the planning system local will ensure that new development meets high quality standards and gives communities the power to shape the areas they live in. The extension of permitted development rights has allowed developers to bypass the planning system and build poor quality homes. It is vital that councils and local communities have a voice in the planning process and are able to oversee all local developments.

3. What training is needed for people to be able to take up the jobs created by such investment, and how might national government put in place measures to distribute available work more equitably, and address intergenerational inequity?

3.1. All investment in skills provision should be prioritised and based on local labour market led careers advice and guidance identifying which jobs will be generated. We must now move towards a joined up and locally relevant all age careers advice and guidance service, as current provision is fragmented for young people and patchy for adults.

3.2. Young people will be particularly impacted in access to jobs and it is vital that there is a guaranteed education, employment and training place for all young people who were due to leave school or college. We are asking Government to work with local government to co-design the Kickstart job guarantee scheme.
3.3. To support adult skills, we are also calling on the Government to double and completely devolve the entire Adult Education Budget, and publicly fund Level 3 qualifications for instance by converting the Learner Loans.

3.4. These interventions will be essential in order to address unprecedented levels of unemployment, and for the Government to deliver on its ‘levelling up’ agenda.

3.5. What has become clear during the crisis is that collaboration is critical – both nationally and locally. We have long called for interventions to be integrated and devolved to have maximum effect. We have already set out how this can be done through the LGA’s Work Local proposals.²⁴

3.6. There is no time like the present to move towards trialing this approach. It could, for a medium sized combined authority, lead to an additional 8,500 people leaving benefits, an additional 5,700 people increasing their qualifications. This would be associated with additional fiscal benefits for a local area of £280 million per year, with a benefit to the economy of £420 million.

3.7. Skills and training provision needs to be receptive to the distinctive needs of different places, with the foundations for ensuring this is rooted in a place-based offer.

4. Should there be conditions (or exclusions) applied to government support for particular industries, and if so, what should they be?

4.1. Government should consider whether recovery packages support wider long-term societal and environmental outcomes, such as its Net Zero carbon ambitions. For example, aspects of the tourism sector, including aviation, are a significant contributor of waste and air pollution, and any support made available could also be linked to improved environmental outcomes. There is already appetite within the sector to make significant progress in this area, and Government could help turn that into reality. The Government could go further as it could ensure that any recovery package is linked to job guarantees.

5. What mix of investment and changes to taxation would be needed to deliver a government stimulus package that resets the economy so that it is green and fair?

5.1. Private and public investment will be needed to address the recovery from COVID-19 and tackle the climate emergency. The scale of the required funding is not clear. It will include further investment in renewables; incentives to support the emerging green economy; investment in research and development; investment in adaptation programmes and investment in public transport. Some of the additional public funding will be utilised most effectively at the local level through the devolution processes outlined above.

5.2. A review of the way councils receive their income should be considered as part of the wider discussion on taxation and public finances. The

²⁴ https://www.local.gov.uk/topics/employment-and-skills/work-local
income to pay for public services at the local level should reflect service
demand, should be buoyant and should allow taxpayers to hold
decision-makers accountable on expenditure in their local areas. It
should also be sufficiently general to allow for flexible deployment
across boundaries of public services and providers, both for capital
projects and day-to-day spending. Local assignment of taxes, if done
well, would provide areas with incentives to strengthen the local
economy as well as create a more diverse funding base, less dependent
on central government decisions. It would also allow public sector
partners to make collaborative decisions on stewardship of local public
funds.

5.3. Government should consider allowing areas to raise new taxes, such as
a tourist tax or an e-commerce levy, or to retain a proportion of
nationally collected taxes or charges paid by their residents, such as
income tax, fuel duty or stamp duty. Such consideration must include
appropriate redistribution arrangements and local control over discounts
and reductions. Furthermore, such freedom must not be used as a
replacement for funding through general government spending. New
taxes will generate more income in wealthier areas. The levelling-up
agenda needs to be supported by continued redistribution through the
tax system and public spending, not reliance on taxes raised locally.
Councils also need the freedom to collect current local taxes differently
to support local priorities and have the freedom to set planning fees to at
least cover their costs.

6. What should the priorities of national, devolved, local and city
government be for ending inequalities and decarbonisation in the
UK?

6.1. It is time for a new dialogue around climate change and green growth. It
must be one in which all partners are equally engaged and transparent
about what they will bring to the table. Government needs to work with
councils and business to establish a national framework for addressing
the climate emergency. We need an Environment Act which is fully
aligned to achieving Net Zero carbon, where producers pay the full cost
of the recycling and disposal of packaging material, and funding is
delivered so that councils can deliver much faster improvements that
align climate smart outcomes and reduced greenhouse emissions whilst
supporting economic recovery and fixing social inequalities.

6.2. We are asking national government to facilitate a locally-led green
recovery, with funding flexibilities to stimulate the economy and
long-term allocations guaranteed for councils which will allow them to
invest in green housing, jobs, infrastructure and other environmental
measures locally and for the long term.

6.3. This will empower local government to build on the public’s new sense
of ownership of the environment and local green recovery, with councils
doing more of the heavy lifting to get local buy-in for making a transition
to a green economy.
7. Looking forward, what changes to democracy and decision making in the UK might deliver better social and environmental outcomes?

7.1. The Government’s forthcoming Devolution and Recovery White Paper provides an opportunity to better equip regional and local government to deliver growth locally. It is an opportunity to reform the relationship between local and central government, to deliver a relationship that matches the place leadership of councils and their crucial role in convening wider public service delivery and investment with the need for locally tailored reconstruction and economic renewal.

7.2. Councils need greater powers and flexibilities devolved at pace so that they can get on and deliver an effective and sustainable recovery for their communities and local businesses.

7.3. The process of devolution in the last decade has been underpinned by a series of transactional deals, driven by a process that brings a range of local partners together, who then agree to act for central government to deliver enhanced outcomes in return for increased powers and funding.

7.4. The scale of the challenge ahead means that a new approach is now required, one that matches the place leadership of councils and their crucial role in convening wider public service delivery and investment with the need for locally tailored reconstruction and renewal.

7.5. Every area will need bespoke powers and resources to better meet the challenges facing their communities. The common components of the current set of devolution deals provide the starting point for the powers that should be made available and tailored to all councils. This is supported by the LGA’s Rethinking Local campaign 15 and Councils Can report, 16 which set out how a new localism settlement could strengthen local government and help councils continue to support their communities and local economies.

8. What should be the key global priorities of the UK and what measures should the UK take to support a globally co-ordinated reset?

8.1. COVID-19 has exposed longstanding socio-economic inequalities. As we look ahead towards recovery we face the very real possibility that those hit hardest will be the slowest to recover.

8.2. The United Nations Sustainable Development Goals (SDGs) provide a global framework to help tackle poverty, improve health and drive economic growth that takes account of the changing climate.

8.3. If the Sustainable Development Goals are to be attained local action by councils will be crucial. The LGA and the UK Stakeholders for Sustainable Development have launched a guide to help councils engage with the SDGs. The guide draws on case studies from councils

15 https://www.local.gov.uk/about/campaigns/re-thinking-local
16 https://www.local.gov.uk/about/campaigns/councilscan
across England to support and encourage others looking to build resilient and prosperous communities.  

9. **What opportunities are presented by the UK co-hosting COP26 in 2021 and/or the G7 presidency and how should these be used?**

9.1. We want to work closely with Government on its work to deliver COP26. As leaders of place, it is the role of local government to translate a national framework into a transformative local plan that communicates the co-benefits and shapes behaviour, investment in solutions and the green economy.

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17 https://www.local.gov.uk/un-sustainable-development-goals-guide-councils