

POLICY BRIEFING

July 2020

Welcome to our NLGN Policy Briefing, exclusively for our members.

This policy briefing collates the most interesting reports that we have come across over the last month. As local government prepares for the recovery from COVID-19, we would also like to share the [latest](#) in a series of blogs, which outlines how the sector has been responding to this crisis.

This month's issue also features research recommendations from Colin Macpherson, Chief Executive Officer, Places & Communities Division, at ENGIE UK & Ireland, about investing in a green recovery from the pandemic. If you'd like to contribute to next month's briefing, we would love to hear from you. Please contact Pawda Tjoa at ptjoa@nlgn.org.uk.

Our briefing covers reports across the following topics:

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Meet our members

ENGIE: Colin Macpherson, Chief Executive Officer, Places & Communities Division

What particular challenge is your organisation working to address?

In light of COVID-19, the headline challenge for ENGIE has been supporting Local Authorities in delivering uninterrupted essential services while considering the health and wellbeing of our employees. Our response focused on the allocation and distribution of resources to protect the most vulnerable in our communities. Looking beyond the current landscape, the pandemic has also presented the challenge of how to harness an unforeseen, but welcome side effect of the lockdown – the glimpse of a greener future, with lower carbon emissions significantly reducing pollution levels and improving air quality. As we rebuild, we must place zero carbon at the heart of the economic recovery to ensure another global crisis is avoided.

What research piece have you found useful to help tackle this challenge?

The recent report [Faster, Further, Fairer](#) by think tank IPPR's Environmental Justice Commission, which calls for investment of at least £30 billion in a green recovery from COVID-19. It says it should be invested into "shovel-ready" green projects which would also generate jobs across the country. It also suggests investing further in the electric vehicle (EV) charging networks, alongside various energy efficiency measures, including a national programme of home insulation.

Do you have any further reading that you would recommend on this topic?

Business Secretary, [Alok Sharma's speech](#) at the Petersburg Climate Dialogue XI (April 2020) provides a strong indication of the Government's green recovery plans. In it he talks of the need to deliver a green recovery, saying the steps we take now to rebuild our economy can have a profound impact on our society's future sustainability, resilience and, ultimately, wellbeing of humans and nature as well.

■ COMMUNITY PARADIGM READ OF THE MONTH

Local Delivery: Protecting social infrastructure

Localis

This report looks at how communities have adapted and protected their social infrastructure. Physical assets act as centres in community life - be they local businesses, commons or high streets serving as economic or social anchors. Individually or collectively, these assets are hubs providing vital social infrastructure to support their local communities. This report provides some case studies of communities and councils working together to reclaim, protect and invest in social infrastructure.

Recommendations for local government include:

- Councils should have an active community assets register.
- Social investment should come in the form of low-cost loans from local authorities as part of 'co-investment'.
- Local authorities should promote investment in community groups as a positive factor in the evaluation of social value elements when awarding public contracts.

Recommendations for central government include:

- Secured and core funding should be made more readily available by central government for community bids.
- Community Asset Transfer should be redesigned with more stringent recognition of liabilities taken on by community groups.
- The six-month moratorium in selling an asset which is currently allowed to the community under Right to Bid should be extended to 12 months.

■ DEVOLUTION, GROWTH AND INDUSTRIAL STRATEGY

Rebooting Britain: How the UK economy can recover from coronavirus

Institute of Economic Affairs and CIVITAS

This report forms part of the IEA's COVID-19 BRIEFING series, designed to promote discussion of economic issues and the role of markets in solving economic and social problems.

The authors do not doubt the huge efforts of all involved in addressing the pandemic, from the frontline medical staff, to all those in care homes and the ancillary services, through to our political leaders. Nor do they doubt that, throughout the crisis, they acted with the best of motives. But there are clearly alternative approaches and different national rates of success in responding to Covid-19. What is important is that we learn the right lessons from this outbreak so that, next time, it really will be different.

Covid-19 and Inequalities

Institute for Fiscal Studies and Nuffield Foundation

Much of the debate about the impacts of the COVID-19 pandemic, our responses to it, and the longer-term legacy that it will leave has quickly become a discussion about various forms of inequality. The purpose of this report is to bring together what has emerged so far about the impacts of the crisis on inequalities across several key domains of life and, in doing so, to make a few overarching points.

Key findings include:

- The years leading up to the COVID-19 crisis, and in particular the long hangover from the last economic crisis of the late 2000s, had left households in a precarious position.
- The specific nature of the economic shock associated with COVID-19 has interacted with many old and deep inequalities.
- School shutdowns are likely to accentuate the socio-economic divide in educational attainment.

A Plan for Nature in the North of England: Final report

Institute for Public Policy Research North

The North of England has some of the most beautiful natural landscapes in the world. Despite this, the state of nature in the North is particularly poor. Important aspects of our natural environment are losing their own innate ability to restore and replenish themselves, a state of affairs that is being made worse by climate change. This degradation of the environmental resilience of nature in the North undermines the resilience of the Northern economy, as well as public health.

This report makes recommendations and calls for a pan-regional effort, led by the North's leaders, to join up and coordinate local efforts to build environmental resilience, and to set out a strategic Plan for Nature, that will make an unanswerable case for new powers and funds from Westminster. Leading by the North, for the North can allow for leaders to embed social and environmental justice into the wider agenda to 'level up' the country.

EU Exit: Get ready for Brexit Campaign

House of Commons Public Accounts Committee

Last year's Get ready for Brexit campaign had a budget of £100 million and was launched on 1 September 2019. Despite spending £46 million of taxpayers' money, the Cabinet Office was unable to demonstrate that the campaign led to people being better prepared for the UK leaving the EU on 31 October. Planning started too late with insufficient attention paid at the outset to understanding what businesses needed, or how to monitor and evaluate the campaign's success; thereby undermining the Cabinet Office's ability to steer the campaign effectively.

When the transition period for the UK's exit from the EU ends, it will result in significant changes for many people and businesses. When that happens, it will be vital that citizens are well prepared. Whether it be a member of the public planning to drive abroad, or a company trading across borders, all will need to understand, in good time, what action they should take and by when. In its next campaign preparing citizens and businesses for the end of the transition period, the Cabinet Office must learn from the mistakes of the Get ready for Brexit campaign. As well as preparing the campaign for the end of the transition period, the Cabinet Office is also at the forefront of delivering the government's public health information campaign on Covid-19. The Committee is concerned that the Cabinet Office may lack the capacity to successfully deliver two such important campaigns and may also overload the public's ability to receive and act on the messages

Services and Brexit

The UK in a Changing Europe

The UK is predominately a service economy. Services make up some 80 per cent of economic activity, and account for an even higher share of employment. Many services cannot be traded – but

many can and this is an area where the UK does well. Our services exports help us to pay for the goods we want to import.

Leaving the EU single market will have a profound effect on those tradeable services. Some like tourism will continue much as now, although the UK hospitality sector is very dependent on EU workers. Others like financial services will find themselves having to operate in a very different environment, facing new barriers to selling into the EU market. Indeed, many have already adapted their business models in anticipation of Brexit. This report looks at the importance of the UK's services economy and how it might change as a result of Brexit.

A Pro-Growth Economic Strategy

Policy Exchange

A radical and ambitious rethink is needed in UK macro-economic policy thinking. There is an opportunity to move away from the austerity and orthodoxy of the past, towards a pro-growth agenda comprising the three arrows of: credible fiscal activism; monetary and financial stability with a new policy remit for the Bank of England; and a supply-side agenda.

This report makes a number of recommendations, including:

- No austerity – this is not the right policy solution when borrowing is so affordable.
- Use temporary tax cuts to help the post-crisis recovery, including reductions in the rate of VAT to stimulate demand and in the stamp duty on house purchases to aid the housing sector.
- The Government should restate that the crisis has not diverted it from its pre-crisis agenda of levelling up the economy, proceeding with Brexit without a delay and addressing climate change with a net-zero carbon economy.

Planning Anew

Policy Exchange

This publication brings together economists, architects, urban designers, campaigners, developers, lawyers and researchers to consider how the planning system can be reformed in a way that addresses the challenges of our modern economy and society. Each of the essays considers a different part of the planning system and each author has a different perspective on what needs to change. What unites them all is agreement that there is an urgent need for bold reform.

Rebuilding the UK Economy: Fairer, cleaner, more resilient

PwC and Energy UK

The UK energy sector has one of the cleanest and most innovative energy systems in the world, attracting private investment and creating jobs as we accelerate through the energy transition towards net zero. The existing partnership between government and the energy industry provides a strong platform to meet upcoming net zero infrastructure challenges, such as renovating the building stock and decarbonising heat, providing an opportunity to create a significant number of jobs across the UK. COVID-19 has caused disruption to the entire energy value chain, from generation to retail, but it has also given us an insight into the energy system of the future. It has shown us how people might live differently and how this could impact on the production and consumption of energy. It is critical that we build on this insight and on the momentum of change brought about by the pandemic.

This report identifies several broad, energy related societal themes that will shape our lives in the future and that can inform government policy making. Based on these themes, it has set out five stimulus priorities that are underpinned by specific policy interventions. All five have been

identified as major opportunities to drive job creation through growth in new markets and the development of new supply chains. The energy sector must look to create long term, sustainable jobs in the clean economy.

Local Green Jobs: Accelerating a sustainable economic recovery

Local Government Association

The LGA is urging the Government to work with councils to develop post COVID-19 economic recovery options, including proposals for a jobs guarantee programme which can provide new opportunities, including in the low-carbon sector. It is calling for national skills and employment schemes and funding to be devolved to councils and combined authorities so they can work with businesses and education providers to train and retrain young people and older workers so they can benefit from these new local opportunities.

This report shows that demand for green jobs will rapidly increase as the nation transitions to a net zero economy and will help to counter the unprecedented job losses due to coronavirus which are likely to increase further when furlough ends from October.

Rainy Days

Resolution Foundation

Families in Great Britain are faced with the most severe economic contraction in more than 100 years. Much of the immediate focus among policy makers has been on the size and distribution of falls in families' incomes but household wealth, both savings and debt, will play a hugely important role in shaping how far families' living standards will fall during the crisis.

This report is the first in a series of comprehensive, annual reports covering the state of wealth in Britain. It focuses on the scale and distribution of families' assets and debt prior to the coronavirus crisis and what that means for living standards. The report also presents evidence from a new survey on how families' balance sheets have been affected in the early phase of the crisis. The crisis is disproportionately affecting families on low-to-middle incomes and this has profound implications for policy makers.

After the Virus: A plan for restoring growth

Centre for Policy Studies

The only way out of this crisis is growth. And although early hopes for a V-shaped recovery proved optimistic and some long-term damage to the economy is unavoidable, it is still within the Government's power to determine the speed and scale of recovery. The purpose of this report is to support the efforts of ministers to instigate the strongest possible recovery. It was written in response to a shortage of off-the-shelf solutions to a challenge quite unlike any other.

Key recommendations include:

- New fiscal rules to gradually eliminate the current budget deficit after the economy recovers, balancing fiscal responsibility with the need to support recovery.
- Bringing forward and enhancing plans for major investment in infrastructure and left-behind regions, both to increase economic activity now and to boost long-term productivity.
- A revitalised devolution agenda to level-up the UK, with more City Deals and increasing the powers and capacity of devolved authorities to invest for growth.

Manufacturing and Brexit

The UK in a Changing Europe

The United Kingdom has left the European Union. Negotiations are underway over a deal to shape the future relationship between the two parties. As things stand, there is no guarantee that such a deal will be agreed. Even if it is, the new relationship will imply significant changes in the way the UK and EU trade with each other.

These impacts will vary significantly by sector and also by region. This report investigates what they might be in the area of manufacturing. As the authors make clear, manufacturing is perhaps more significant to the UK economy as a whole than is generally realised, so the findings are of huge relevance.

We are not Ready: Policymaking in the era of environmental breakdown

Institute for Public Policy Research

This is the final report of a major research programme investigating the implications of the global environmental crisis for politics and policymaking. Overall, this programme has found that human impacts on the environment have reached a critical stage and are eroding the conditions upon which enduring socioeconomic stability is possible.

Key findings include:

- The environmental crisis encompasses more than just climate breakdown.
- Environmental breakdown is creating a new, highly destabilised domain of risk.
- Environmental breakdown is a problem of socioeconomic systems.

Reducing UK Emissions: 2020

Committee on Climate Change

This is the Committee's 2020 report to Parliament, assessing progress in reducing UK emissions over the past year. This year, the report includes new advice to the UK Government on securing a green and resilient recovery following the COVID-19 pandemic. It recommends that ministers seize the opportunity to turn the COVID-19 crisis into a defining moment in the fight against climate change. Although a limited number of steps have been taken over the past year to support the transition to a net-zero economy and improve the UK's resilience to the impacts of climate change, much remains to be done. For the first time, the Committee sets out its recommendations government department by government department.

The Committee's new analysis expands on its May 2020 advice to the UK Prime Minister in which it set out the principles for building a resilient recovery. In its new report, the Committee has assessed a wide set of measures and gathered the latest evidence on the role of climate policies in the economic recovery.

Living Standards, Poverty and Inequality in the UK: 2020

Institute for Fiscal Studies

This report examines how living standards – most commonly measured by households' incomes – were changing in the UK up to approximately the eve of the current COVID-19 crisis, using the latest official household income data covering years up to 2018–19. The report particularly focuses on how this differed for different groups, and what this meant for poverty and inequality. It gives us a

comprehensive account of where we stood before the current crisis, including for groups who we now know have subsequently had their economic lives turned upside down.

Key findings include:

- Workers whose livelihoods look most at risk during the COVID-19 crisis already tended to have relatively low incomes, and were relatively likely to be in poverty, prior to the onset of the crisis.
- Trends among low-income households had been worse still – they had experienced five years of real income stagnation between 2013–14 and 2018–19.
- Relative poverty among working-age adults without children has fallen since 2011–12, while relative child poverty has increased by 3 percentage points – the most sustained rise in relative child poverty since the early 1990s.

■ PUBLIC SERVICE REFORM

Home for All

Crisis

This policy briefing accompanies the launch of Crisis' new campaign calling for concerted action to completely end homelessness in the UK following the changes to homelessness and rough sleeping response during the COVID-19 pandemic. But the charity's research now shows that 53 per cent of frontline services have seen a rise in homelessness as the UK begins to turn toward recovery.

In response, this briefing suggests that further action will be required to avoid a surge in homelessness or lengthy stays in unsuitable, temporary accommodations. Its recommendations include:

- More funding for local councils to provide emergency support and accommodation over the next year.
- Central government policy changes in welfare and immigration to alleviate pressure on people that could lead to more homelessness.
- More protections for private renters and increased investment in the provision of homes for social rent in England.

Readying the NHS and Adult Social Care in England for COVID-19

National Audit Office

This report sets out the facts about government's progress in preparing the NHS and adult social care in England for the COVID-19 outbreak.

Key findings include:

- By the end of April, government had allocated £6.6 billion to support the health and social care response to COVID-19 and £3.2 billion to local government to respond to COVID-19 pressures across local services.
- Between mid-March and mid-April, the NHS increased bed capacity for COVID-19 patients in NHS trusts in England, meaning that the number of patients never exceeded the number of available beds.

- To increase workforce capacity additional NHS staff were redeployed but the absence rates in health and adult social care rose due to COVID-19.

Too Little, Too Late? Housing for an ageing population

Centre for the Study of Financial Innovation

This report explores the implications of a housing market that is marked by demographically 'skewed' under-occupation: 60 per cent of surplus bedrooms are in households inhabited by people over the age of 65, and unlocking these could resolve the UK's housing crisis. In turn, more appropriate housing for an ageing population could increase their welfare and help manage the growing demand on public and social care services.

Since there is a significant lack of age-friendly housing, this report argues that it is unsurprising that relatively few older people down-size. Recommendations include:

- Local authorities should be required to have a plan for retirement housing, including identifying appropriate sites.
- There should be proper incentives to encourage older people to downsize rather than signalling that home-ownership is the only way to finance social care in later life.
- Construction of affordable housing should be more highly prioritised.

The Innovation Lottery: Upgrading the spread of innovation in the NHS

Institute for Public Policy Research

This report argues that healthcare reforms in line with good practice seen in other countries could reduce avoidable deaths in the UK by 20,000 each year. At present, healthcare in the UK is made harder by three barriers: a risk-averse and target-setting culture, the over-complexity and insularity of the NHS, and insufficient resources and finances.

There are two main areas of policy change that this report recommends in response. First, the centre must become more clear and long-term in the way that it sets minimum standards, lines of accountability, and regulations. Second, there should be much more active support for local providers and commissioners. Together, these approaches should empower the NHS frontline and drive the uptake of more innovative practices.

The Geography of the COVID-19 Crisis in England

Institute for Fiscal Studies

The COVID-19 crisis has affected every part of the country – and indeed many other countries. What sets this crisis apart is the many different ways that it is impacting families: while the virus itself is primarily a public health issue, the unprecedented responses it has necessitated mean that this is also very much an economic and a social crisis.

This report analyses how these different dimensions of the crisis vary around England. It documents the geography of the COVID-19 crisis along three dimensions: health, jobs and families. It explores which local authorities (LAs) have residents who are more vulnerable to severe COVID-19 symptoms, because of their age or pre-existing conditions; which LAs have a greater share of workers in shut-down sectors such as retail or hospitality; and which LAs have a greater share of children either eligible for free school meals or receiving children's social services, who might be at particular educational or social risk from the crisis. The report shows how these dimensions of vulnerability in

health, jobs and families relate to each other, and brings these findings together to document the extent to which local areas might be affected along multiple dimensions of the crisis.

COVID-19 and Early Intervention: Understanding the impact, preparing for recovery

Early Intervention Foundation and Action for Children

This report looks at the impact of the COVID-19 pandemic on early help services. It explores the response of local services to the immediate challenges and the challenges on the horizon. The impact of Covid-19 on vulnerable children and families is likely to be profound. It was clear from the research that school closures, social distancing and lockdown measures have seriously affected the ability of services to support children and families at the very time when these children and families are facing even greater challenges. The response of local services to the situation has been characterised by innovation and rapid adaptation. The overall sense was one of dedicated professionals, and in some cases the wider community, pulling together in an extraordinary effort to protect vulnerable children and support families in this time of crisis.

Support for Vulnerable Pupils and the Children of Keyworkers

National Foundation for Educational Research and Nuffield Foundation

When the British Government ordered all schools to close to the majority of pupils on 20 March 2020, they were asked to provide on-site education for vulnerable pupils and the children of keyworkers (such as those working in public health, transport and supplying food). Since then, the level of school attendance for both vulnerable pupils and the children of keyworkers has been low, with only 15 per cent of vulnerable pupils attending school. This report focuses on the engagement of vulnerable pupils and the children of keyworkers in-school; remote provision and welfare support for vulnerable pupils; and the challenges involved in continuing to offer this provision as schools begin to open more fully.

Renting Beyond Their Means? The role of living rent in addressing housing affordability

Institute for Public Policy Research

Nearly 5 million households in England face a problem with their housing affordability. These affordability problems are the result of a series of interlinked problems including the undersupply of housing, the ongoing decline of social housing, reductions in housing subsidies, the financialisation of housing, changes to the benefit system, and low wages and regional disparities between wages. As the UK government moves its focus from the public health response to Covid-19 to economic recovery, it must learn the lessons of this crisis. Many of these are in relation to public health, but there are also lessons to be learnt about the need for greater economic and societal resilience.

The recommendations outlined in this report, if implemented, would help restore affordable housing's role as the "first social service", ensure it is genuinely affordable through the implementation of a 'living rent' approach, and build support for affordable housing by widening access to tenure, helping the very 'key workers' that have kept the country going during the Covid-19 crisis. These recommendations would also help drive our economic recovery through a massive green housebuilding programme.

Combining Crowds and Machines: Experiments in collective intelligence design

Nesta

New technologies, including artificial intelligence (AI), allow us to mobilise human intelligence in new ways and at greater scale. The COVID-19 pandemic has demonstrated the many uses of collective intelligence: from symptom-tracking apps to open-source production of medical equipment. But despite its potential, collective intelligence is still a nascent area for research funding and is dwarfed by investments in AI. In spite of many emerging opportunities, we still know relatively little about what works and how to do it well. Through its Collective Intelligence Grants programme – the first of its kind – Nesta supported 12 diverse organisations worldwide to conduct experiments that increase our understanding of how to make the most of the new technologies available to help with collective thinking and acting.

Analysis of the first round of experiments has provided new insights into how we can improve our decision-making, enable effective cooperation, make better use of citizen-generated data and increase the effectiveness of participation in collective intelligence initiatives.

Digital Technology and the Resurrection of Trust

House of Lords Democracy and Digital Technologies Committee

Technology and online platforms can and should be bound by the same restraints that we apply to the rest of society. If this is done well, technology can become a servant of democracy rather than its enemy. There is a need for Government leadership and regulatory capacity to match the scale and pace of challenges and opportunities that the online world presents.

Recommendations include:

- Local authorities should be required to publish open, machine-readable information on elections, including what elections are taking place, who the candidates are and where polling stations are located.
- Parliament, and national, devolved and local government must acquire and develop greater digital capacity and skills to facilitate digital democratic engagement. This should be a mix of inhouse development and the funding of specialist external organisations as appropriate.

Artificial Intelligence and the Fight Against COVID-19

Nesta

Artificial intelligence (AI) techniques could play an important role in the mission to tackle COVID-19, from helping to discover new drugs and vaccines to predicting the spread of infection and testing patients. At the same time, many AI techniques are experimental, rely on big, sensitive datasets and might be difficult to apply in high-stakes domains such as health.

This report studies the levels, evolution, geography, knowledge base and quality of AI research in the COVID-19 mission field using a novel dataset taken from open preprints sites arXiv, bioRxiv and medRxiv, which have been enriched with geographical, topical and citation data.

The Financial Risk and Resilience of English Local Authorities in the Coronavirus Crisis

The Institute for Fiscal Studies

This report collates for each Local Authority (LA) in England a series of indicators of coronavirus-related risks. The report looks at the extent to which these risks vary and the degree to which they are correlated, with a focus on LAs' revenues and financial resilience. The report also briefly discusses the extra funding that central government has made available LAs to help them address these risks in the current financial year.

Findings include:

- The government has allocated £3.2 billion of general funding to LAs to help them cope better with the impact of the coronavirus crisis on their spending and income.
- LAs serving more deprived communities seem likely to be subject to less revenue risk than LAs serving more affluent communities.
- LAs with higher levels of deprivation have residents who appear more vulnerable to the coronavirus crisis on a number of dimensions, potentially increasing service demands and challenges.

Economic Impact of Coronavirus: Gaps in support

House of Commons Treasury Committee

The coronavirus, and the Government's response to limit its transmission, have had a hugely significant impact on the economy. The Chancellor has frequently stated that he will do whatever it takes to protect people and businesses from the effects of the pandemic and the UK Government's Covid-19 Recovery Strategy sets out as one of its key overarching principles fairness to all people and all groups. The Government introduced two key financial support schemes intended to protect the livelihoods of salaried and self-employed individuals: the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS). The Treasury's intervention to protect jobs and livelihoods is welcome but rolling out financial support at pace and at such a huge scale has inevitably resulted in some hard edges in policy design and some critical gaps in provision. More than two months on from the introduction of restrictions that locked down large sectors of the economy, many people continue to endure financial hardship whilst being unable to benefit from the Government's two principal support schemes.

This report makes a series of recommendations as to how the Government could effectively address these concerns. The Committee understands that the schemes were deliberately designed to focus on the rapid delivery of support with minimal need for manual intervention, and that those ineligible for CJRS or SEISS may have access to other welfare benefits. However as the period of support is extended for those who are already eligible to claim, the Committee questions whether it remains "not possible or desirable" to help those who have fallen through the gaps. Over a million people have lost livelihoods while being locked down and locked out of support. The Government must assist these people if it is to completely fulfil its promise to do whatever it takes to protect people from the economic impact of coronavirus.

Inflation: The next threat?

Institute of Economic Affairs

In 2020 the world economy is likely to experience an output fall and increases in unemployment rates comparable to those in the Great Depression years of the early 1930s. The current coronavirus-related slump is therefore a very unusual episode in modern economic history. An exceptional feature is that the crisis is mainly due to a supply-side shock in the economy and not to a drop in aggregate demand or spending. Developed and developing economies have been put in 'lockdown' by governments, while international trade and world-wide supply chains have been severely disturbed. Entire sectors such as aviation, travel, hospitality and other services companies have virtually closed down. Further, this very deep disruption has happened in a matter of weeks, if not days. In effect, people and companies have been told not to produce. The final impact on output and job losses remains unknown.

The Outlook for the Public Finances Under the Long Shadow of COVID-19

Institute for Fiscal Studies

It is clear that the COVID-19 outbreak – and the public health response to it – will dramatically reduce economic activity in the second quarter of 2020. This in turn will depress tax receipts and add to government spending, increasing government borrowing and in turn adding to government debt. The package that, appropriately, the government has announced to help support public services, households and employers will also have the direct impact of increasing borrowing. A key issue is how quickly – and how fully – the economy, and with it the public finances, recover over subsequent years.

This report sets out three scenarios for the outlook for growth over the next five years and describes what in turn these might mean for government borrowing and government debt. Finally, the report provides some guide to the appropriate fiscal policy response in the short-term, where essentially additional borrowing that will boost subsequent growth is likely to be beneficial given very low interest rates, and in the longer term, where a combination of tax rises and accommodating an elevated level of debt for decades is, perhaps, the most likely outcome.

The Effects of Coronavirus on Household Finances and Financial Distress

Institute for Fiscal Studies

The effect of the COVID-19 crisis on the economy has been huge. National income fell by 20 per cent in April, to a level last seen in the early 2000s. But the impact of this vast aggregate shock on the finances of different households will vary widely.

The report's key findings include:

- The COVID-19 crisis led to abrupt falls in employment, earnings and incomes by April. There were no signs of a recovery in May.
- The crisis has so far impacted the earnings of the poorest households the most.
- Non-payment of household bills increased sharply after lockdown, and increased further between April and May.

A New Settlement for the Low Paid: Beyond the minimum wage to dignity and respect

Resolution Foundation

While the COVID crisis has hit us all, it has not hit us all equally. Britain's 4.2 million low paid workers have borne the heaviest load, both in terms of economic and health consequences. In order to provide these workers a new settlement in the recovery from this crisis, this report makes a series of recommendations, including raising the minimum wage to 2/3 of average hourly pay, giving workers the right to request a longer-hours contract, a right to choose how regularly they are paid and giving unions the right to enter workplaces.

City Skills: Strengthening London's further education offer

Centre for London

Further education plays a vital role in the capital; it helps Londoners into better paid and more fulfilling work, and provides employers with the skilled workforce they need. In the face of a looming recession, and social and economic disruption from coronavirus, Brexit and technological change, it is more crucial than ever. Without investment and strategic long-term thinking, the further education sector will not be able to support London's recovery. The government can no longer afford to neglect it.

To respond to this, the government must:

- Introduce a support package for the further education sector.
- Make learning more affordable by offering free tuition for students.
- Devolve the further education budget in full to London government.

Over 5 Million Workers in Insecure Low Paid Work

New Economics Foundation and the Living Wage Foundation

This new research highlights the extent of poor conditions in the UK labour market. It finds that there are now over 5 million workers in insecure, low paid work. Of these, 1.3 million are key workers, and 2 million are parents, suggesting wider knock on effects from the poor conditions they are forced to work in. Furthermore, BAME employees are disproportionately represented in this category of workers, highlighting the role that structural racism plays in the labour market.

The Long Game: How to reboot skills training for disadvantaged adults

Centre for Social Justice

Even before COVID wrought havoc on the labour market, Britain had a major problem with skills. In England alone, over six million adults are not qualified at level 2 (GCSE level). Adult training needs to be a lifeline for these people, but the system is currently weak, with many being abandoned to a lifetime of low paid, insecure work. COVID risks making all of this worse – so the skills system must now change and improve. This report makes a number of recommendations for how this can be done, including: investing in community learning where there is unmet need, reinstating fee grants for employed learners over 24 working towards level 2 qualifications, and holding consultations with employers and experts to tailor level 4 and 5 courses.

Apprenticeships and Social Mobility: Fulfilling potential

Social Mobility Commission

Apprenticeships are one of the few indisputably effective tools of social mobility currently available to the government. There is now a mountain of evidence to confirm the benefits they confer on workplace learners – such as enhanced career earnings, continued education and richer, more fulfilled working lives. Yet the system is not working. Instead, the main beneficiaries of apprenticeships are the people who do not need them. In this study, authors at London Economics show how the apprenticeship levy, introduced in 2017, has disproportionately funded higher-level apprenticeships for learners from more advantaged communities, rather than those from disadvantaged socio-economic backgrounds, who would benefit more.

This research reveals how disadvantage gaps exist at every stage of the apprenticeship journey, from initial selection of candidates by employers to the quality of training disadvantaged apprentices get. Geography is also an issue. Lack of opportunities in deprived areas can force disadvantaged learners to undertake expensive and difficult journeys to reach work.

The Full Monty: Facing up to the challenge of the coronavirus labour market crisis

Resolution Foundation

The coronavirus crisis has had a severe impact on the country's health, but also its economy and the labour market with it. With activity across parts of the economy heavily restricted, the Job Retention Scheme saved millions of jobs, firms and incomes. But as the country moves from lockdown into a new, reopening phase of this crisis, the challenge for policy makers is set to get harder. Economic activity will continue to be affected by the virus until there is a vaccine or effective treatment. But the Job Retention Scheme is being withdrawn. Without further support for the hardest-hit sectors, there is a risk of significant redundancies in the summer/autumn, adding to already high unemployment.

Policy makers should act now to minimise outflows from the hard-hit sectors – a wage subsidy scheme or a National Insurance cut in those sectors would reduce labour costs and discourage redundancies. Alongside this, the Government must pursue radical action to create jobs across the country, such as in social care and housing retrofitting, and ramp up support for the unemployed.

■ ORGANISATIONAL DEVELOPMENT

Government Outsourcing

Institute for Government

Over the last four decades, successive governments have extended the role of the private sector in government work. But there is now growing interest – in government departments, local authorities and the NHS – in bringing public services back in-house. This report examines when insourcing can achieve benefits and offers lessons on how to do it.

Recommendations for all government bodies considering insourcing include:

- Conduct a thorough review of how the existing service operates, its budget and staffing arrangements.
- Begin planning for transition at least two years before insourcing.
- Build support with service users, local residents and unions.

Human Rights and the Government's Response to COVID-19

Joint Committee on Human Rights

Last year, the Joint Committee on Human Rights published a report on the detention of young people with learning disabilities and/or autism in Assessment and Treatment Units (ATUs) and other mental health hospitals which concluded that young people's human rights are being abused; they are detained unlawfully contrary to their right to liberty, subjected to solitary confinement, more prone to self-harm and abuse and deprived of the right to family life.

Now that institutions are closed to the outside world as a result of the Covid-19 pandemic, the risk of human rights abuses are even greater. Unlawful blanket bans on visits, the suspension of routine inspections, the increased use of restraint and solitary confinement, and the vulnerability of those in detention to infection with Covid-19 (due to underlying health conditions and the infeasibility of social distancing) mean that the situation is now a severe crisis. This report makes a series of urgent recommendations to put a stop to these human rights abuses.

The Dangers Ahead: COVID-19, authoritarianism and democracy

London School of Economics

The Coronavirus crisis has massively aggravated the existing systemic risks facing the international order. Prior to the crisis a powerful global tendency towards authoritarian governance already existed. Political nationalism has proven very amenable to the economic conditions created after the 2008 financial crisis. At the level of domestic politics nationalism provides a vocabulary of fear and diversion, directing grievances towards 'aliens' and other minorities within the polity and raising hostility towards imagined 'foreign' enemies outside it. At the international level it creates tensions between states, which, in the contemporary world, primarily concern economics. But there are still a host of examples of territorial disputes animated by traditional territorial nationalism, such as the Russian annexation of Crimea and the US proposed Israeli formal annexation of most of the Palestinian administered West Bank.

This publication summarises these dangers as four threats: 'deglobalisation' takes a nationalist form; less democratic participation, more centralisation; surveillance state and erosion of human rights; and inequality goes unchallenged.

Managing Consultants: A guide for working with consultants in government

Institute for Government

There are four key phases of a government project with consultants: deciding when and whether to bring in consultants; buying services through a tendering process; managing a project with consultants; and ending the project. For each of the four phases, the report sets out common pitfalls, key things to consider and practical advice based on interviews with current and former consultants and officials.

Mind the Values Gap: The social and economic values of MPs, party members and voters

The UK in a Changing Europe

British politics has been transformed in the last decade, with the party system coming under increasing strain. Brexit triggered deep splits within the parties as well as between parties and their voters. Social values that tend to vary with age and education seem to matter more and more to an electorate for whom class and party loyalties matter less and less. These developments have in turn

been partly driven by profound socio-economic and cultural changes. So far at least, both of Britain's two major parties have survived, albeit somewhat bruised and battered, and with differing levels of success. Yet the parties' long-term survival requires their maintaining internal cohesion and creating electoral coalitions that can hang together. This depends not just on their leaders and their parliamentarians but also on their grassroots members – and there has been no lack of conflict between party leaderships and their wider membership in recent years.

Through their choice of leaders and their broader policy preferences, members of both the Labour and Conservative parties have had significant effects on the direction of British politics. Is there, however, a mismatch between what they want – particularly if they are activists rather than more passive members – and what those they choose to represent them in the Commons want? And to what extent do our two main parties, whether at Westminster or at the grassroots, want the same as their voters? This report provides an insight into the underlying values of the Labour and Conservative parties and of those who vote for them and might vote for them. Using original representative surveys of MPs and party members along with the British Election Study, it provides a snapshot of the ideological convictions of both main parties from top to bottom: from the MPs, through the varying levels of party members, to their potential voters.

Managing PFI Assets and Services as Contracts End

National Audit Office

This report provides information on managing PFI contracts as they come to an end and considers whether government is making appropriate preparations to manage the expiry of PFI contracts. It aims to draw out the challenges and best practice that can most benefit those managing PFI contracts coming to an end.

Key findings include:

- There is a risk of increased costs and service disruptions if authorities do not prepare for contract expiry adequately in advance.
- Many authorities start preparing for contract expiry more than four years in advance but there is a risk this is not enough time.
- Early PFI contracts are likely to contain significant ambiguity around the roles and responsibilities of the parties at contract expiry.