

## **MEASURING THE MOOD OF LOCAL GOVERNMENT**

### **EDITION #9: COVID-19**

This is the ninth of NLGN's quarterly Leadership Index survey of chief executives, leaders and mayors from local authorities across the UK. The survey asks council chiefs about their level of confidence in key service areas as well as wider indicators of community wellbeing.

Today, councils are coping with the most pressing issue of our time: the COVID-19 pandemic. Therefore, our survey also asked local government chiefs specifically about how they are responding to the challenges presented by this crisis, including how the situation has affected their relationship with communities and volunteer groups. Their answers uncover the growing economic anxiety caused by the pandemic, but also show that even in the midst of the most testing times, there is evidence of positive connections and emerging renewal.

### **HEADLINES**

- **Council chiefs need more support from government than they are getting:** Over three quarters (78 per cent) of council chiefs call for more funding, and almost half (43 per cent) call for more personal protective equipment (PPE) to help them and their workforce deal with the challenges of COVID-19 outbreak in their area. ([Page 3](#))
- **Confidence levels in the economy have dropped significantly** across all measures to the lowest ever levels since the Leadership Index started, with the level of optimism in local business environment falling by over a third since the last quarter. Councils' confidence in having the adequate powers and resources to boost economic development has also fallen by five per cent. ([Page 6](#))
- **Community cohesion and trust have never been higher**, exceeding 70 for the very first time on a scale of 0-100. Over 95 per cent of respondents said the contribution of community groups to their COVID-19 response has been *very significant* or *significant*. ([Page 8](#))

## CONTEXT

Local government is on the frontline of the response to COVID-19. When the crisis unfolded, councils immediately set about identifying and responding to urgent local demands including providing business support, setting up community support hubs and by redeploying staff to support shielded groups. Efforts have focussed on critical services to help the most vulnerable in society, including housing rough sleepers, taking care of the elderly and protecting children who are at risk of abuse or neglect. Councils also play a key role during this pandemic in coordinating local volunteering efforts, building on their existing relationship with the voluntary and community sector (VCS) and working in close collaboration with existing or new community groups to help those in need.

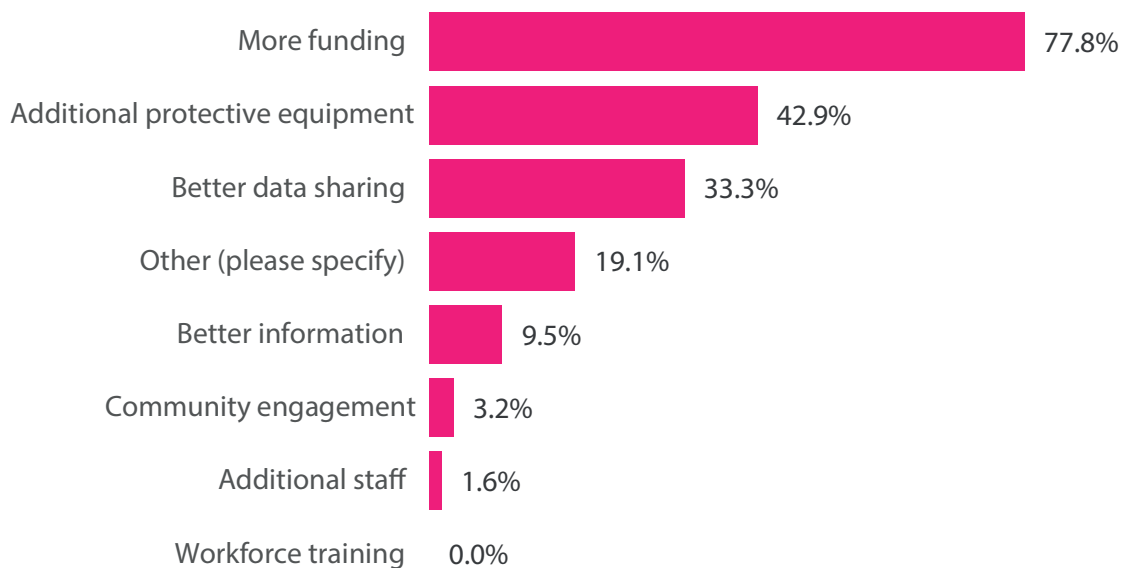
The government has provided local government with an additional £3.2 billion to help ease the cost pressures relating to councils' COVID-19 response. But the [LGA](#) has warned that this is far from sufficient; councils are expected to need between £10 billion and £13 billion overall. This significant shortfall in councils' finances is a result of not only the additional spending pressures related to councils' COVID-19 response, but also other costs such as lost income from fees and charges due to closures under lockdown of leisure services for example, and expected reductions in council tax and business rates over the longer term as a result of the expected downturn.

Since the survey has been conducted, there has been growing concern among councils about the inadequate level of support from central government will seriously undermine their efforts and affect councils' depleting finances. Having initially encouraged councils to do "whatever it takes" to respond to the crisis in their local areas, the government appears to be backtracking on their pledge of full support to councils, [failing to clarify](#), for example, whether money already spent on PPE and 'shielding' services to the most vulnerable would be reimbursed.

## SECTION 1: COUNCILS' RESPONSE TO COVID-19

COUNCILS ARE RESPONDING TO THE IMMEDIATE AND LONGER-TERM CHALLENGES OF COVID-19 BUT THEY NEED MORE FUNDING AND SUPPORT FROM CENTRAL GOVERNMENT.

**FIGURE 1A:** COUNCILS CALL FOR MORE FUNDING AND ADDITIONAL PPE



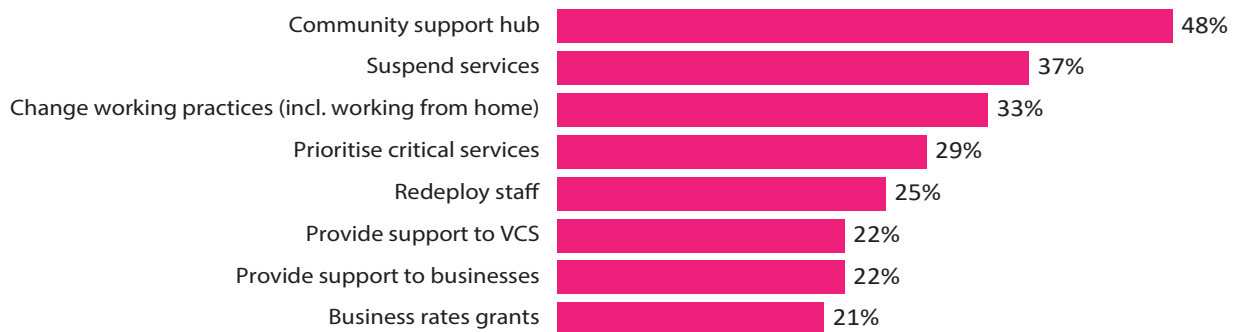
**Note:** Council chiefs were asked to identify their top two priorities from the above options of additional support from central Government that would most help them and their workforce deal with COVID-19.

A significant majority of council chiefs (77.8 per cent) call for more funding from central government to support their COVID-19 efforts.

Almost half of respondents (42.9 per cent) asked for more Personal Protective Equipment PPE to be provided, while a third (33.3 per cent) called for 'better data sharing'. 19 per cent of respondents pointed to other forms of support, including two respondents urging the government to:

*"Let local government get on with what it does best."*

*"End the top down creation of bright shiny schemes (national volunteering, shielding, Nightingale hospitals, new supply chains for PPE, etc.) and genuinely work with councils and combined authorities and other partners to create locally-led solutions to community support and delivery".*

**FIGURE 1B: COUNCILS' TAKE ON DIVERSE WORK TO TACKLE COVID-19**

Councils have taken a range of immediate measures in responding to COVID-19, including:

### 1. Setting up community support hub (48 per cent)

Nearly half of respondents (48 per cent) said that they have set up some form of community support hub, including *“virtual support hubs”*, *“community networks for a humanitarian response”*, and *“infrastructure to support vulnerable and shielded individuals”*.

### 2. Suspending services (37 per cent)

To comply with the Government’s social distancing policy, 37 per cent of council chiefs said they have had to suspend services, with some *“scaling back universal services”* and others entirely *“closing services to ensure social distancing”*. Over a quarter of respondents (29 per cent) have prioritised critical services, some *“moving to crucial service provisions only”*.

### 3. Redeploying staff (25 per cent)

As non-essential services closed, councils are *“redeploying staff to key services to ensure emergency response in place to urgent calls”*. A quarter of respondents said that their councils have redeployed their staff to other services, for example *“to support local pharmacies to deliver prescriptions”*. One respondent described the extent of this redeployment where their council have had to:

*“Stop green bin collections to redeploy to essential services, stopped regular road maintenance and parks work, closed most car parks and removed charging for key workers in remaining car parks, ...and redeployed 50 staff to this.”*

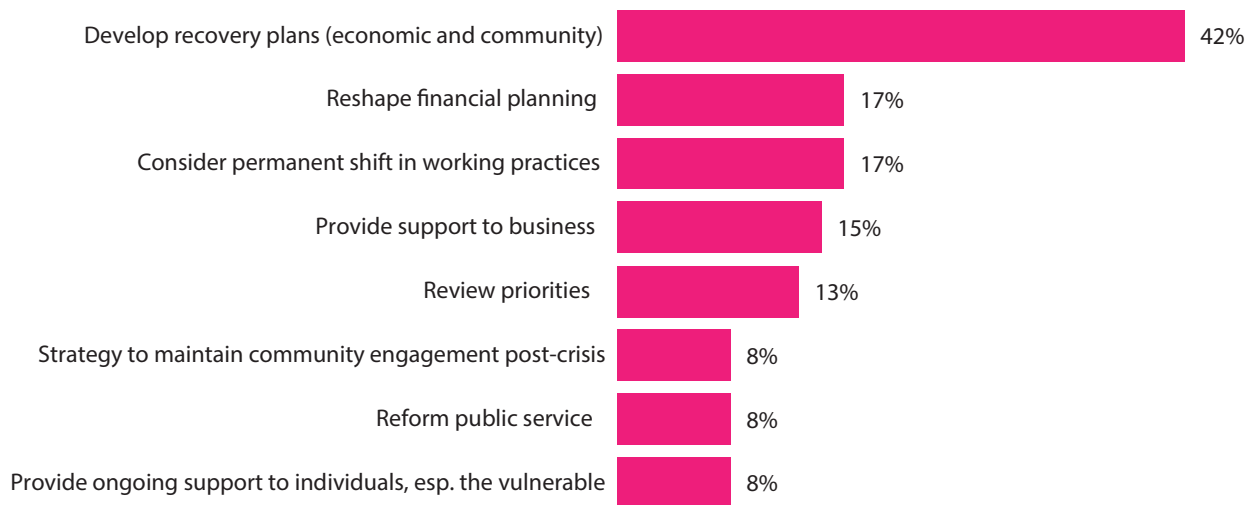
### 4. Changing working practices (33 per cent)

A third of respondents said they have changed their working practices, for example, with staff operating *“new working hours/shifts to enable home-working over a 12-hour day and to enable servers/bandwidth/licenses to ‘cope’”*

### 5. Providing support to businesses and VCS (22 per cent)

Over a fifth (22 per cent) are providing support to voluntary and community service organisation, as well as *“intensive business support”*.

**FIGURE 1C: COUNCILS' FOCUS ON RECOVERY PLANS AS THEY CONSIDER POST-COVID FUTURE**



Councils are already preparing for recovery from COVID-19, taking the following medium to long-term measures:

**1. Developing recovery plans (42 per cent)**

42 per cent respondents said they are developing recovery plans for both the economy and community. One council described the urgency of building a *“joint recovery board at Combined Authority level”* including *“worst case planning for minimal service provision if govt does not provide adequate financial support”*. Another respondent mentioned setting up a recovery board to *“maximise opportunities to grow the economy quickly”*.

**2. Reshaping financial planning (17 per cent)**

Councils are considering long-term organisational change *“if there is a lack of financial support from the government”*. This includes 17 per cent respondents who are reshaping their finances to meet the needs beyond this crisis. For example, one council is *“reviewing their financial position and estimating impacts on budgets – looking at the impact on community activities and funding arrangements”*.

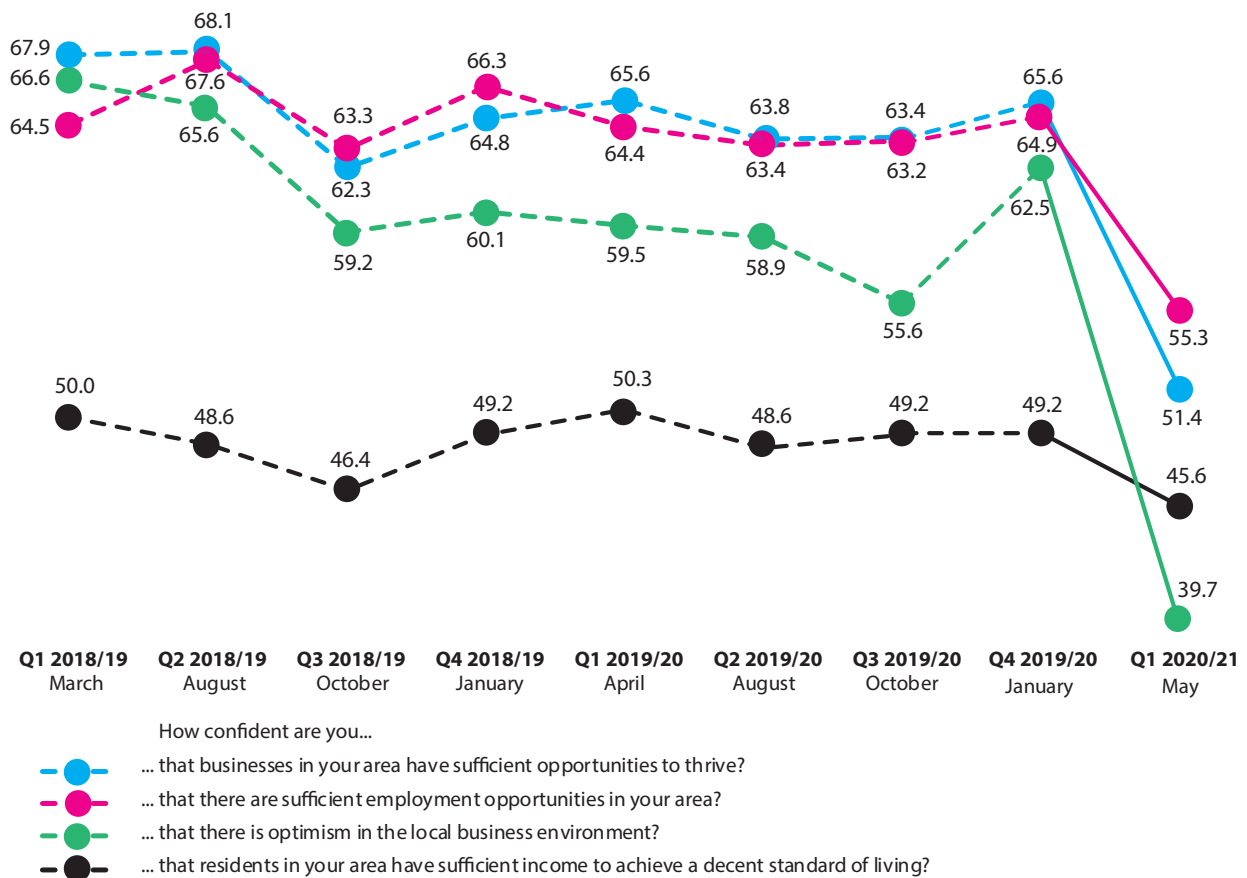
**3. Considering permanent shift in working practices (17 per cent)**

Given the necessary changes to work and life during this crisis, almost one fifth of respondents (17 per cent) are beginning to consider some permanent adjustments in working practices, *“reviewing to see which amended practices can be incorporated into daily working in the future.”*

## SECTION 2: CONFIDENCE LEVEL IN THE ECONOMY AND ACROSS KEY SERVICES DURING THE PANDEMIC

COUNCIL CHIEFS' CONFIDENCE IN THEIR LOCAL ECONOMY HAS DROPPED SIGNIFICANTLY WITH OPTIMISM IN THEIR LOCAL BUSINESS ENVIRONMENT AT A NEW LOW.

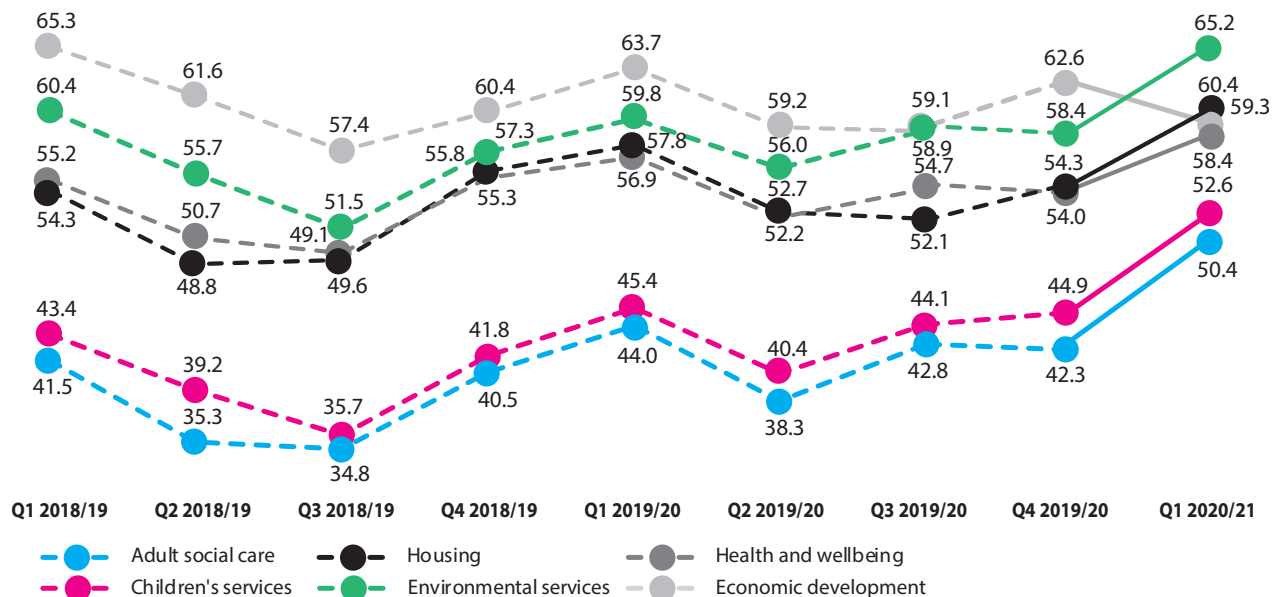
**FIGURE 2A: CONFIDENCE LEVELS IN THE LOCAL ECONOMY DROPS SIGNIFICANTLY ACROSS ALL KEY INDICATORS**



Confidence level in the local economy this quarter has plummeted across all indicators, ranging from 39.7 to 55.3 on a scale of 0 (lowest) to 100 (highest).

- The most significant drop is in the level of optimism in the local business environment, falling by 36.4 per cent, to its lowest level of only 39.7.
- Council chiefs are 21.7 per cent less confident when it comes to businesses in their area having sufficient opportunities to thrive – a drop from 65.6 to 51.4.
- On whether there are sufficient employment opportunities in their area, confidence level among council chiefs dropped by 14.8 per cent, from 64.9 to 55.3.
- Council chiefs are also less confident in the people in their area having sufficient income to achieve a decent standard of living, falling from 49.2 to 45.6 – a drop of 7.4 per cent.

**FIGURE 2B: UPON THE GOVERNMENT'S FULL FINANCIAL BACKING TO COUNCILS AT THE START OF THE PANDEMIC, CONFIDENCE LEVELS ROSE ACROSS MOST KEY SERVICE AREAS**



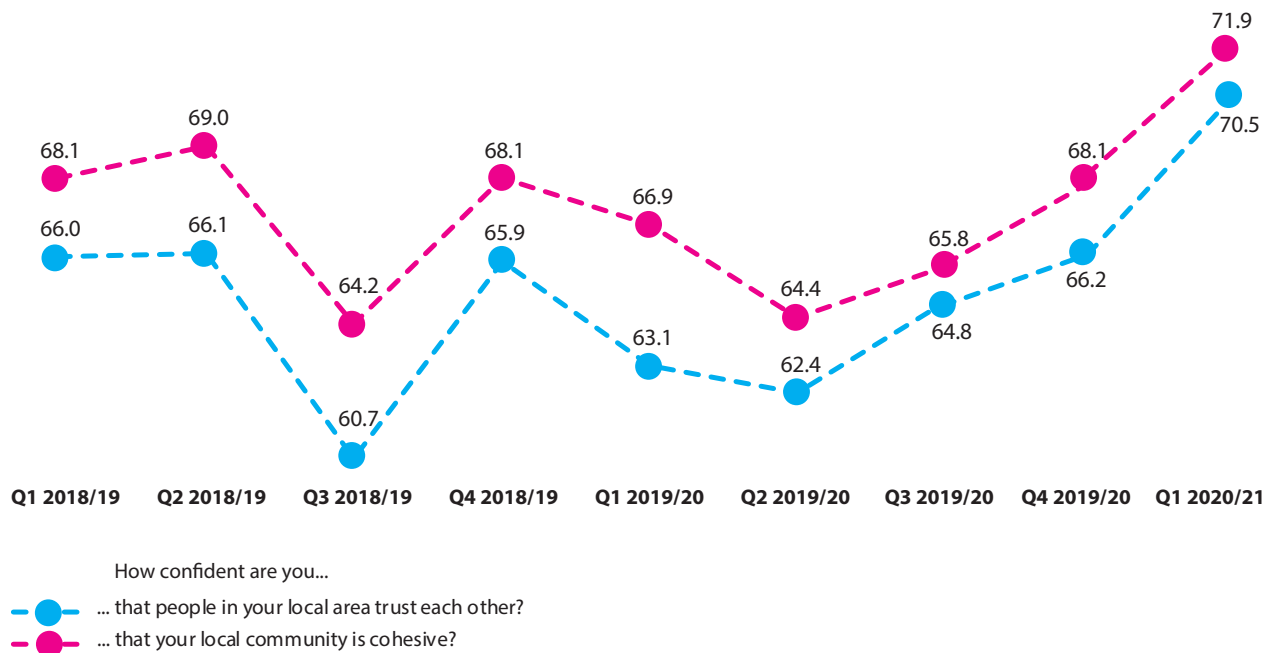
Councils told us that confidence level has increased for all key service areas apart from that for economic development. *It should be noted that these findings came after the government promised to do “whatever it takes” to support coronavirus-related expenses, but before the communities secretary appeared to row back on these promises, by saying councils would have to “share the burden” of these expenses.*

- Council chiefs said that they were more confident in their councils having sufficient powers and resources to deliver adult social care and children’s services, with confidence levels rising by 19.2 and 17.3 per cent respectively.
- Confidence level among council chiefs during this period has also increased slightly across environmental services, housing and health and wellbeing, rising by 11.8, 11.2 and 11.2. per cent respectively.
- However, council chiefs are less confident in their councils having sufficient powers and resources to deliver economic development, falling by 5.2 per cent since the last quarter, to 59.3.

## SECTION 3: COMMUNITY COHESION AND RESPONSE DURING THE PANDEMIC

COMMUNITY COHESION HAS REACHED A NEW HIGH AND THERE HAS ALSO BEEN A FLOURISHING OF COMMUNITY VOLUNTEERING.

**FIGURE 3A:** COMMUNITY COHESION AND TRUST HAVE REACHED A NEW HIGH

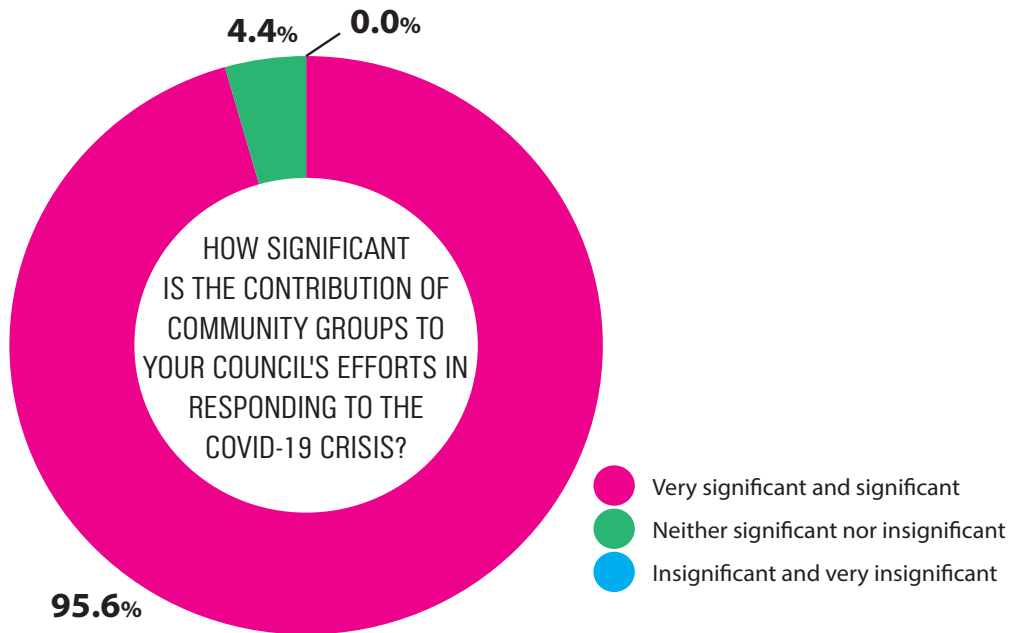


Community cohesion and trust have never been higher.

- Council chiefs are more confident that people in their area trust each other, with confidence level rising to its all-time high of 70.4, an increase of 6.5 per cent since last quarter.
- Likewise, council chiefs are more confident that there is community cohesion in their area, with confidence level rising to its all-time high of 71.9, a slight increase of 5.6 per cent since the last quarter.



**FIGURE 3B:** THERE HAS BEEN SIGNIFICANT CONTRIBUTION OF COMMUNITY GROUPS TO COUNCILS' COVID-19 EFFORTS

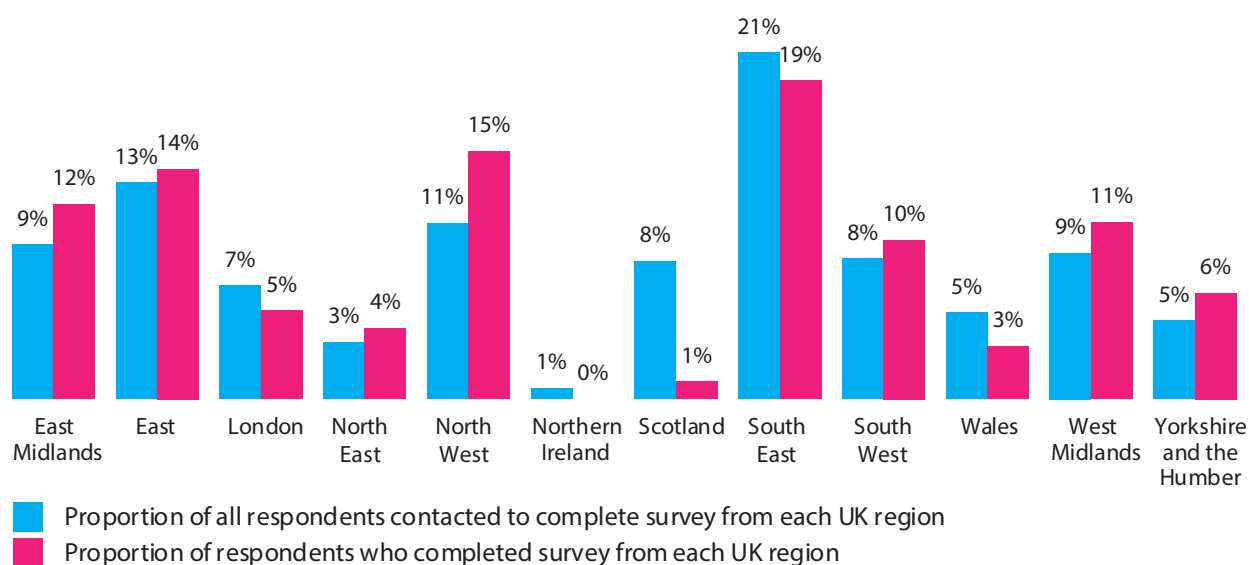


An overwhelming majority of 95.6 per cent of respondent highly value the contribution of community groups in their council's effort to tackle COVID-19; 47.4 per cent consider their contribution *very significant*, and 48.2 per cent consider it *significant*.

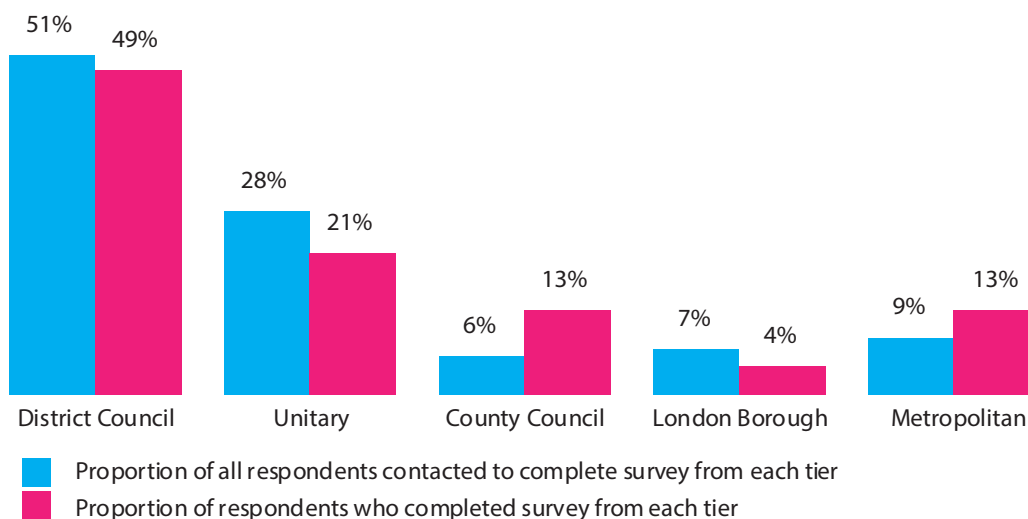
## APPENDIX: ABOUT THE SURVEY

The NLGN Leadership Index survey was sent to 615 leaders, chief executives and council mayors across all UK regions. It was open from 9 to 21 April 2020. This latest survey received a total of 94 responses, which equates to a 15.3 per cent response rate. Survey responses were received from all UK regions except Northern Ireland.

**FIGURE 4: BREAKDOWN BY UK REGION (MAY 2020)**



**FIGURE 5: BREAKDOWN BY TIER (MAY 2020)**



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