WLGA paper on local government schemes for consideration

Background

1. Wales’ public services are gradually transitioning from the initial response phase as the Welsh Government eases the lockdown. As noted in the WLGA’s ‘Our Shared Recovery’ paper to Partnership Council on 10th June¹, there remain several ongoing challenges and risks that will need to be monitored and mitigated throughout transition and in advance of recovery.

2. COVID-19 will have deep, long-lasting public health, economic and societal impacts within Wales and across the world. The public service expectations and needs of Wales’ communities are likely to be significantly different to those pre-COVID-19 and there is wide recognition that recovery will require renewal and reconstruction rather than a return to what was before.

3. Recovery and reconstruction have been the subject of recent discussions between local authority leaders and Ministers during the past month, through the Partnership Council meeting, bilateral meetings and a ‘roundtable’ meeting involving the Counsel General, the Minister for Housing and Local Government and a number of Leaders on 25th June.

4. Initial proposals emerging from discussions include the following:

- **Locking-in the transformation of organisational working and service delivery**, the scope for increased use of digital, new more agile and multi-disciplinary ways of working with consequent impact on office usage, the environment and workforce well-being;

- **Building on community resilience, co-production and the role of citizens** - building on new behaviours, commitments and contribution of communities and volunteers;

- **Opportunities to embed or expand modal shifts in transport**, through active travel, public transport and alternative ways of working;

- **Recognising the primacy of and reinvesting in sustainable social care** given its interdependence with the NHS and ensuring councils have a clear role in reducing the fragility and fragmented nature of independent provision;

- Sustaining the rapid improvement and transformation of homelessness services and **achieving the goal of ending homelessness in Wales**;

- **Rebuilding and reinvesting in modern local economies** through local procurement frameworks, prudential borrowing for public sector construction, including strategic housing developments, modern modular methods of construction and boosting the construction sector. Rethinking the jobs and

skills that will be needed in the future and the role of local councils in an expanded and enhanced apprenticeship scheme;

- **Investment in preventative health measures** and the role of public health, including active travel and healthier lifestyles in terms of the food and drink offer and supply chain;

- **Preserving and sustaining environmental improvements** experienced during the lockdown, due to reduced emissions, footfall and traffic. Investing in renewable and low carbon energy projects and flood alleviation schemes, which will benefit the local economy and environment; and

- **Promoting and sustaining the renewed political and public recognition and respect for public services and front-line workers**, settling a lasting shared commitment to and mutual responsibility for community and public service outcomes.

5. Much of this ambitious agenda will require a new relationship with Welsh Government, a partnership approach and joint ownership of regeneration and recovery, proportionate risk and reduced bureaucracy – a relationship based on renewed trust and with subsidiarity firmly built into plans for the recovery.

**Recovery and Reconstruction**

6. Given the immediacy of the severe economic challenges facing Wales and its communities, leaders have called for an ambitious programme of investment in several programmes which could help rebuild Wales’ communities and economy. These co-ordinated programmes would:

- help meet a range of existing economic, social and environmental policy priorities;
- create rapid demand for local contractors and their workforces, generating income and jobs in local economies;
- help Wales in working towards statutory decarbonisation targets; and
- increase resilience, making communities across the country, rural and urban, less susceptible to external shocks in future.

7. The WLGA is developing proposals for a mixture of supported local government borrowing, paid back over a number of years and income streams that would be generated (e.g. rental income or payments for energy) that could inject significant immediate investment into Wales’ communities and economies through local authority capital programmes.

8. Drawing on the discussions to date, a ‘top ten’ list of programmes to ‘build back better’ was included in a report considered by leaders on Friday 3rd July covering:

   1) Affordable housing
2) An energy programme covering generation (facilities, smart grids and storage) and consumption (in buildings, vehicles)
3) Social care and primary care infrastructure
4) Continuation of the 21st century schools programme
5) Circular Economy infrastructure for better resource management
6) Better transport through well-maintained highways, more integrated public transport and enhanced provision for active travel
7) Innovation, digital enhancement and connectivity
8) Business / industrial property and support
9) Natural and physical flood defences, sustainable drainage, green infrastructure and sustainable tourism
10) Investment in human capital via skills training and apprenticeships.

9. These programmes would be mutually reinforcing, all enhancing the quality of life and well-being across all sections of the community. The investments under each programme relate to the ‘bread and butter’ of local government services. They are therefore different in nature, but complementary, to other planned investments, such as those associated with Regional Economic Frameworks and City and Growth Deals.

10. WLGA officers are currently collating the evidence base behind these proposed programmes, using information about ‘shovel ready’ projects supplied by individual authorities. By the end of the week we should have a report detailing all the ‘ready-to-go’ projects in each of the above programmes.

11. WLGA Group Leaders have written to the Counsel General and the Minister for Housing and Local Government to expand on the proposals behind each programme, including initial estimates of costs and possible returns.

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