

## Note of last Resources Board meeting

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**Title:** Resources Board  
**Date:** Monday 22 January 2018  
**Venue:** Smith Square 1&2, Ground Floor, 18 Smith Square, London, SW1P 3HZ

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### Attendance

An attendance list is attached as **Appendix A** to this note

| Item      | Decisions and actions   | Action |
|-----------|---|--------|
| <b>13</b> | <b>Welcomes, Apologies and Declarations of Interest</b><br><br>The Chair opened the meeting by welcoming Members to the Board.<br><br>Apologies were noted by the Chair.<br><br>There were no new declarations of interest.   |        |
| <b>14</b> | <b>Provisional 2018/19 local government finance settlement</b><br><br>The Chair invited Mike Heiser, Senior Adviser, to introduce this item. Mike gave an overview of the paper, which provided an update on the 2018/19 Provisional Local government Finance Settlement, that was announced by Government on 19 December 2017. The paper also summarised the LGA's response.<br><br>The Chair thanked Mike for the update, and invited members to comment, where the following was discussed: <ul style="list-style-type: none"><li>• Members queried whether council tax referendum limits would reduce if inflation decreased.</li><li>• Members also discussed the Transitional Grant which was intended to provide support for authorities which had lost due to distributional changes in the 2016/17 settlement. Officers confirmed that the grant was for a two year period only.</li></ul> |        |
|           | <b>Action</b> <ul style="list-style-type: none"><li>• Officers to provide further updates to Members if necessary.</li></ul>  |        |
| <b>15</b> | <b>Local Government Finance Update</b><br><br>Nicola Morton, Head of Local Government Finance, introduced the item, and gave Members an overview of the paper, which updated members on   |        |

the progress of the LGA's work related to local government finance policy since the last meeting of the Board. In particular, the paper focuses on business rates retention reform and progress of the Fair funding Review.

The Chair thanked Nicola, and invited Members to comment, where the following was discussed:

- Members raised concerns that there wasn't sufficient feedback from MHCLG on the pilot applications for 2018/19 that were unsuccessful. It was noted that that this would be useful for any 2019/20 process.
- Members discussed the Government's announcement introducing 75 per cent business rates retention from April 2020 and raised a number of issues including:
  - The split of business rates between authorities within in an area including mayoral authorities.
  - The importance of the relationship with businesses.
- Members discussed the Fair Funding Review and raised a number of points including:
  - The importance of sufficient funding overall for local government including future pressures;
  - Not rewarding inefficiency; and
  - The importance of using up to date data and the formulae capturing future demand.

#### **Action**

- Officers agreed to send to Resources Board members the criteria set out in the prospectus for 2018/19 pilots to members.

#### **16 Background Briefing For Resources Board Members - Business Rates Retention and the Fair Funding Review**

#### **17 Insurance Mutual (verbal update)**

Sally Burlington, Head of Policy, and James Alexander, Lead Adviser, gave Members a verbal update regarding the Insurance Mutual, and the discussions pertaining to the last meeting of the Founding Members and asked the Board for the following steers:

- Voting arrangements;
- Electing directors of the Mutual; and
- Terminology.

Sally and James also discussed procurement process of a mutual manager. Members were told that the LGA was using the company

Bloom, who specialise in matching procurement needs with suppliers, as well as taking on any legal matters in the process. Members were also notified that the LGA were not voting on this issue, as there was a conflict of interest regarding this matter.

The Chair thanked both Sally and James and opened the discussion up to the Board:

- Members discussed the publicity and advertisement of the Mutual, and whether more could be done to attract more local authorities to sign up. This included marketing arrangements. Officers updated Members that this was being handled by the LGA's communications team, who are currently engaging local authorities.
- Members discussed the number of expression of interests that were received, and capacity surrounding the work this would bring to local authorities and any possible funding issues. Officers fed-back that this will be continually monitored, and discussions would be held with local authorities.
- Members agreed the need for neutrality during the procurement process.

**Action:**

- Officers to proceed in-line with Members' steers.

## **18 Securing funding and investment currently sourced from the EU**

Russell Reefer, Adviser, introduced the paper, which provides members with an update on EU funding in relation to the conclusion of the first phase of Brexit negotiations. This included the agreement between the UK government and the European Commission to move negotiations into phase two to facilitate the UK's withdrawal from the EU. Russell stated that relevant programmes (including the European Regional Development Fund) will run until 2020.

Russell also stated that he was due to leave the LGA, and the next update regarding all EU funding matters will be provided by his colleague, Jasbir Jhas.

The Chair thanked Russell for all his work, and wished him luck at his next role. The Chair then opened discussions up to the Board:

- Members discussed the need for further scientific research funding currently being sourced by the EU, and how vital this funding is, which feeds into the local economy, particularly in the East of England.
- Members agree that this LGA area of work was vital, and that this news for EU development programmes running until 2020 was greatly received.

**Action:**

- Board to receive further updates on EU funding.

**19 Workforce Update**

Jon Sutcliffe, Senior Adviser, gave an update to Members, and stated that there had been no substantial developments on the pay offer. Members were notified there have been no indications that councils are unhappy with the offer made. Jon also stated that the union Unite were recommending to their members to reject the offer. Jon stated that the team would be able to give more information at the next Board, as unions consultation with members will be finalised towards the end of March.

The Chair thanked Jon for the update and opened discussions out to the Board:

- Members discussed the tactics used during the negotiating process, from start to finish.
- Members discussed the planned roll-out phased over a two-year period.
- Members discussed the political background relating to the Trade Unions.
- Members discussed the increase from 1 per cent up to two per cent, and the cross-party discussions on this.
- Members discussed coroners and the need to include them in these negotiations.

**Action:**

- Further update to be given at the next Board by Officers.

**20 Apprenticeship Update (presentation)**

Nigel Carruthers, Senior Adviser, introduced the item (in PowerPoint presentation format) to Members. Key points of the presentation included:

- How apprenticeships are changing, and not just for young people;
- Skills gaps;
- Updates on the Apprenticeship Levy account; and
- Public sector targets.

The Chair thanked Nigel and invited Members to comment:

- Discussions were held over school and higher education apprenticeships, and the need for educational institutes and local government to work closer together.
- Members discussed taxation and funding for apprenticeships.
- Members discussed training providers and their assessment criteria in relation to Ofsted.
- Members conversed over skills shortages and a way to use apprenticeships to plug the skills gaps.
- Members also discussed the need for more promotion of the benefits of apprenticeships.
- Members discussed the quality and delivery of training in rural areas.

**Actions:**

- Future update to be given to the Board on apprenticeships.
- Presentation to be circulated to Board Members.

**21 Working together to deliver a fair and effective welfare system (verbal update)**

Rose Doran, Senior Adviser, introduced the item and gave Members a verbal update regarding the LGA's on-going work in relation to welfare reform and Universal Credit, including our current and future lobbying position with the Department for Work and Pensions (DWP)

Rose discussed the current estimated shortfall in the Housing Benefit administration subsidy – up to 60 per cent – and how the LGA is stepping up its work across the board on the financial impacts of welfare reform on local government, and the vital role that councils can play in supporting claimants.

The Chair thanked Rose for the update, and invited Members to comment:

- Members discussed the need for some devolved components of the welfare system as councils are best placed to recognise and address needs at a local level
- Members also discussed best practice examples of early intervention work, and the need to intervene with struggling families before they're in crisis.

**22 Note of last Resources Board meeting**

Members agreed the notes of the last Resources Board meeting on 4

December 2017.

**Appendix A -Attendance**

| Position/Role     | Councillor                   | Authority                         |
|-------------------|------------------------------|-----------------------------------|
| Chairman          | Cllr Claire Kober OBE        | Haringey Council                  |
| Vice-Chairman     | Cllr John Fuller             | South Norfolk District Council    |
| Deputy-chairman   | Cllr Claire Hudson           | Mendip District Council           |
|                   | Cllr Graham Whitham          | Sutton London Borough Council     |
| Members           | Cllr Philip Atkins OBE       | Staffordshire County Council      |
|                   | Cllr Hilary Carrick          | Cumbria County Council            |
|                   | Cllr Barry Macleod-Cullinane | Harrow Council                    |
|                   | Cllr Byron Rhodes            | Leicestershire County Council     |
|                   | Cllr David Finch             | Essex County Council              |
|                   | Cllr Sharon Taylor OBE       | Stevenage Borough Council         |
|                   | Cllr Sian Timoney            | Luton Borough Council             |
|                   | Cllr Sarah Hayward           | Camden Council                    |
|                   | Cllr Peter Marland           | Milton Keynes Council             |
| Cllr Adam Paynter | Cornwall Council             |                                   |
| Apologies         | Cllr Roger Phillips          | Herefordshire Council             |
|                   | Cllr David Williams          | Hertfordshire County Council      |
|                   | Cllr Rishi Shori             | Bury Metropolitan Borough Council |
|                   | Cllr Tom Beattie             | Corby Borough Council             |