

Resources Board

Agenda

Tuesday, 10 September 2019
2.00 pm

Westminster Room, 8th Floor, 18 Smith
Square, London, SW1P 3HZ

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Resources Board

10 September 2019

There will be a meeting of the Resources Board at **2.00 pm on Tuesday, 10 September 2019** Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ.

A sandwich lunch will be available at 1.30pm.

Attendance Sheet:

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

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Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3263	email: Martha.Lauchlan@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.grouplga@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

A map showing the location of 18 Smith Square is printed on the back cover.

LGA Contact:

Jonathan Bryant
jonathan.bryant@local.gov.uk / 020 76643004 / 07464652746

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Resources Board – Membership 2019/2020

Councillor	Authority
Conservative (7)	
Cllr Tim Oliver (Vice Chairman)	Surrey County Council
Cllr Philip Atkins OBE	Staffordshire County Council
Cllr David Finch	Essex County Council
Cllr Daniel Humphreys	Worthing Borough Council
Cllr Peter Jackson	Northumberland Council
Cllr Roger Phillips	Herefordshire Council
Cllr Richard Wenham	Central Bedfordshire Council
Substitutes	
Cllr Andrew Leadbetter	Devon County Council
Cllr David Leaf	Bexley Council
Cllr Byron Rhodes	Leicestershire County Council
Labour (7)	
Cllr Richard Watts (Chair)	Islington Council
Cllr Tudor Evans OBE	Plymouth City Council
Cllr Sharon Taylor OBE	Stevenage Borough Council
Cllr Tony Newman	Croydon Council
Cllr Tom Beattie	Corby Borough Council
Cllr Peter Marland	Milton Keynes Council
Cllr Sue Murphy CBE	Manchester City Council
Substitutes	
Cllr Terry Paul	Newham London Borough Council
Cllr Erica Lewis	Lancaster City Council
Cllr John Merry CBE	Salford City Council
Liberal Democrat (2)	
Cllr Keith House (Deputy Chair)	Eastleigh Borough Council
Cllr Adam Paynter	Cornwall Council
Substitutes	
Cllr Mike Bell	North Somerset Council
Independent (2)	
Cllr Jason Zadrozny (Deputy Chair)	Ashfield District Council
Cllr Phelim MacCafferty	Brighton & Hove City Council
Substitutes	
Cllr Loic Rich	Cornwall Council

Agenda

Resources Board

Tuesday 10 September 2019

2.00 pm

Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

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Date of Next Meeting: Tuesday, 19 November 2019, 2.00 pm, Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

Local government finance update

Purpose of report

For direction.

Summary

This report provides an update on progress on local government finance work including the Fair Funding Review, Business Rates Retention and a range of audit issues.

Recommendations

That members note the progress update.

Action

Officers will proceed with the delivery of the LGA work programme on Further Business Rates Retention and the Fair Funding Review as directed by the LGA Leadership Board, Executive and the Task and Finish Group on Business Rates Retention and Fair Funding Review.

Under the direction of the Board, officers will continue to monitor any developments in local audit including engaging with the Redmond Review and the NAO's review of the code of audit practice.

Contact officer:	Nicola Morton
Position:	Head of Local Government Finance
Phone no:	0207 664 3197
Email:	nicola.morton@local.gov.uk

Local government finance update

Background

1. This report provides an update on the progress of the Fair Funding Review and business rates retention work programmes and other local government finance issues, in particular issues affecting local audit.

Fair Funding Review and business rates retention

2. The Government's work on further business rates retention and the review of relative needs and resources (commonly referred to as the Fair Funding Review) continues through the joint MHCLG / LGA working groups:
 - 2.1. The Steering Group on Business Rates Retention and the Fair Funding Review
 - 2.2. The System Design and Implementation Working Groups – focuses on business rate retention
 - 2.3. The Technical Working Group on Needs and Redistribution – works on the Fair Funding Review
3. These groups, co-chaired by the LGA and MHCLG, consist of senior local authority officers and act as sounding boards for the Government's work on these policies. All papers discussed at the meetings of these groups can be found on the [LGA website](#).
4. Discussions with MHCLG on reform to the system of business rates retention have been continuing in joint meetings of the Systems Design and Implementation Working Groups. Recent meetings have focussed on the alternative model of business rates retention, which would compensate local authorities for business rates appeals, including how to take account of reliefs, the levy and safety net, and the impact of the 2021 revaluation.
5. The Technical Working Group on Needs and Redistribution was reconvened in June after a pause (the previous meeting was in late 2018). The group has recently considered a summary of consultation responses received by the Government, progress on the development of a new children and young people's services formula, new Area Cost Adjustments; and council tax equalisation.
6. The LGA continues to develop policy on further business rates retention and the Fair Funding Review through the cross party Task and Finish Group chaired by the Chair of the Resources Board. All policy recommendations from the Task and Finish Group on Business rates Retention and the Fair Funding Review go to Leadership Board and Executive for their approval before becoming LGA policy.

7. Leadership Board and Executive recently endorsed the Task and Finish Group's recommendation on the approach to a Fire and Rescue Formula. LGA policy on this formula is to call on the Government to update the data in the current fire and rescue formula, and for the Government to start work immediately on a longer term project to completely refresh the formula using multi-level modelling techniques with results to be introduced at the next possible opportunity. This policy decision was based on what is achievable within current timescales for implementing the results of the Fair Funding Review, and matches what officers understand to be the preferred position of the Chief Fire Officers' Association. More information can be found in a [report](#) to Leadership Board.
8. We will continue to keep Resources Board updated on LGA policy development related to the Fair Funding Review and business rates retention, as well developments in the Government's work on these policies.

Impact of the 2019 Spending Round on the progress of reforms

9. In early August, the Chancellor of the Exchequer announced the multi-year Spending Review has been delayed to 2020. Instead, a [one year Spending Round](#) will be announced on 4 September. This Spending Round will set day-to-day spending budgets for Government departments for 2020/21 only. Our work on the Spending Round is covered elsewhere on the agenda, but there is clearly a specific interaction with wider local government finance reforms.
10. In advance of the Spending Round, the LGA Chairman wrote to the Chancellor and Secretary of State for Housing, Communities and Local Government, seeking clarity on the timescales for implementing the Fair Funding Review and further business rates retention. These letters also included our call for resources to meet next year's inflationary and demand pressures to help sustain council services until a full Spending Review. The Spending Round is covered in more detail elsewhere on the agenda.
11. Officers will continue to monitor the situation and update members. Any announcements in the Spending Round relating to further business rates retention and the Fair Funding Review will be covered in the item on your agenda on the Spending Round.

Audit Issues

12. At the May 2019 meeting of the Resources Board, members raised concerns about the decision by Ernst and Young to delay the audit of accounts for a number of local authorities in the East of England and East Midlands. At the request of the Resources Board, the Chair of the Board wrote to both the Local Government Minister and to Public Sector Audit and Appointment (PSAA) to raise concerns about the impact of the delay on the local authorities affected and to seek assurances that they would not be penalised for

this. In the letter we also pointed out that when the tighter audit timetable was introduced the LGA had raised concerns that the limited supply of auditors and overlap with other bodies' timetables (particularly NHS) could result in the systems being vulnerable to problems like those now occurring. In the letter we asked that the deadline be reviewed and pushed back to 30 September for future years.

13. In his response, the Minister confirmed that affected councils would not incur additional audit costs as a result of the delay and that the reporting of any affected performance metrics would take the delays, due to the auditors, into account. The response from PSAA agreed that it is necessary to ensure that the affected clients are not criticised for missing the target deadline date. Copies of the letters and the responses received are appended to this report (please see Appendix B).
14. Since then it has been widely reported there have been delays in finalising the audits of many other local authorities' accounts this year, including those audited by other firms. This is being monitored and discussed with PSAA, and discussed with a number of affected councils who have contacted us or responded to information in our bulletins.

Review of Code of Audit Practice and Local Audit Review.

15. In May, Resources Board agreed the [LGA's response](#) to the first part of the [National Audit Office \(NAO\) consultation](#) on the local code of audit practice. The NAO has now published the results of the consultation and its [response](#). The second [consultation](#), on the actual draft code, was launched at the end of August, and closes on 22 November, with the new code due to be laid before Parliament in early 2020. We plan to bring the LGA's response to the November meeting of the Board for clearance.
16. Separately, the Government has [announced](#) a review of the audit framework in England to be led by Sir Tony Redmond. The review will look at the effectiveness of current audit arrangements and the transparency of reporting with a final report anticipated in March 2020. Officers have already had an initial informal meeting with Sir Tony Redmond and the LGA will engage fully with the review.

Next steps

17. Members are asked to note this update paper.
18. Officers will proceed with the delivery of the LGA work programme on Business Rates Retention and the Fair Funding Review as directed by the LGA Leadership Board, Executive and the Business Rates Retention and Fair Funding Review Task and Finish Group.

19. Under the direction of the Board, officers will continue to monitor any developments in local audit including engaging with the Redmond Review and the NAO's review of the code of audit practice.

Implications for Wales

20. Local government funding is a devolved matter and business rates retention and the Fair Funding Review policies are limited to English local authorities. We will engage with the Welsh LGA on matters that relate to both England and Wales.

Financial Implications

21. This is part of the LGA's core programme of work and as such has been budgeted for in core work programme budgets.

Appendix A. High-level progress update on the LGA Fair Funding Review and Business Rates Retention work programme

Project	Purpose and description	Quick update
Criteria for assessing proposed distribution models and methodologies	To give the LGA a structured and consistent way to assess new distribution models.	Complete
Formula grant: update the data	Update the data in the current distribution model (where updated data is available) to see the impact of this on individual allocations separate to any methodology changes. In effect this would provide an updated baseline to inform a discussion on how long the formulae remain 'future proof' without any review of weightings. To help the LGA and member authorities form policy on the data used in the formulae and the frequency of distribution resets, or other ways to 'future proof' the mechanism.	Complete
Distribution model: develop a distribution model	A model to allow local authorities to see the impact of different key cost drivers and differential weightings. To help the LGA and member councils evaluate the impact of various Government and stakeholder proposals on their council and to allow them to put forward their own proposals	Complete
Council tax equalisation: develop a model	A model to identify the impact of adjustments for council tax and council tax support on individual authorities. To inform LGA policy and to help individual member councils evaluate Government proposals.	Complete
Damping /transition mechanisms	An analysis of historic damping / transition mechanisms and a model to inform discussions on the guiding principles of transition. To inform LGA and member authorities' policy.	Complete
Business Rates Retention model	A model to enable LGA and local authorities to assess the impact of system design choices in areas including: <ul style="list-style-type: none"> • The setting of business rates baselines; • The extent and frequency of business rates resets; • Dealing with losses due to appeals; • The level of the safety net and how it is funded; and • The split of business rates income in two-tier areas. 	Complete
Alternative Administration Model of Business Rates Retention	A model to enable LGA and local authorities to assess the impact of the alternative administration of Business Rates Retention.	To be published shortly

Rishi Sunak MP,
Parliamentary Under Secretary of State
(Minister for Local Government)
Ministry of Housing Communities and Local Government,
Marsham Street,
London

17 June 2019

Dear Mr Sunak,

I am writing to you on behalf of the Resources Board of the LGA to raise concerns about the impact of the decision by Ernst and Young to delay the audit of accounts for local authorities covered by it in the East of England / East Midlands. We understand that Ernst and Young say this is due to an unavoidable shortage of suitably qualified senior auditors which has arisen in this part of the country.

In 2014 in our response to the consultation on the Local Audit regulations, which included the new tighter timetable for the publication of annual accounts, we raised concerns that the limited supply of auditors and overlap with other bodies timetables (particularly NHS) could result in the systems being vulnerable to problems like those now occurring. While councils have shown that they are capable of meeting the earlier July deadline, clearly this is not the case for the system as a whole and we would therefore ask that the deadline is reviewed and pushed back to 30 September for future years.

Ernst and Young's decision means the local authorities affected won't be able to publish their accounts by the 31 July deadline with an audit certificate, as would normally be expected for the 2018/19 accounts. This affects sixteen councils, as well the two Police and Crime commissioners and the single Combined Fire Authority.

Clearly this is not a satisfactory position and all those affected would like steps to be taken to avoid this situation. However, given the timing, it is likely that the only practical step to avoid the situation would be for Ernst and Young to reverse the action that they are taking. Since that is unlikely, it is important that the problems of those local authorities affected are minimised and that they do not suffer additional consequences as a result of something that is beyond their control. Councils should not be criticised for failing meeting a deadline through no fault of their own.

For example, the LGA's Resources Board thought that the affected local authorities should be excluded from any reporting of performance metrics where the failure of their accounts being audited would show them in a bad light, for example reporting of councils that have / have not published their accounts on time. The Resources Board was also concerned that the affected councils do not incur additional costs, particularly audit costs, as a result.

We are liaising with PSAA who are having continuing discussions with Ernst and Young and the Board wanted to make sure that you as Local Government Minister were also aware of the concerns of our members.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Richard Watts'. The signature is written in a cursive, slightly slanted style.

Cllr Richard Watts,

Chair Resources Board



Ministry of Housing,
Communities &
Local Government

Agenda Item 2a

Rishi Sunak MP

Minister for Local Government

**Ministry of Housing, Communities & Local
Government**

Fry Building

2 Marsham Street

London

SW1P 4DF

Cllr Richard Watts
Chair Resources Board
Local Government Association
Local Government House
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London
SW1P 3HZ

Tel: 0303 444 3460

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www.gov.uk/mhclg

Our Ref:4304970

11 JUL 2019

Dear Cllr. Watts,

Thank you for your letter of 17 June raising concerns about the decision by Ernst and Young (EY) to delay the audit of accounts for local authorities covered by them in the East of England and East Midlands, due to a shortage of suitably qualified senior auditors in the area.

We are aware of this issue, and my officials have been liaising with Public Sector Audit Appointments Ltd and with EY both to understand the current position and its impact on the bodies concerned.

I expect the situation to be resolved as quickly as possible and will be continuing to actively monitor the situation to that end.

You may be interested to know that the forthcoming review of the local audit regime mentioned in recent Public Accounts Committee hearings will consider the implications of our audit policy, including the timeliness of audit completion and the impact of the new July deadline for accounts closure.

Finally, I would like to reassure you that these bodies' accounts not being completed on time due to EY's delay would not be used in any performance metrics here, and I am sure that any report into the work of auditors by PSAA will also include a note to that effect. I have also been assured by PSAA that the affected councils will not incur additional audit costs as a result.

RISHI SUNAK MP

Tony Crawley,
Chief Executive,
PSAA Limited,
18 Smith Square
London
SW1P 3HZ

18 June 2019

Dear Mr Crawley,

I am writing to you on behalf of the Resources Board of the LGA to raise concerns about the impact of the decision by Ernst and Young to delay the audit of accounts for local authorities covered by it in the East of England / East Midlands. We understand that Ernst and Young say this is due to an unavoidable shortage of suitably qualified senior auditors which has arisen in this part of the country.

Ernst and Young's decision means the local authorities affected won't be able to publish their accounts by the 31 July deadline with an audit certificate, as would normally be expected for the 2018/19 accounts. This affects sixteen councils, as well the two Police and Crime commissioners and the single Combined Fire Authority.

Clearly this is not a satisfactory position and all those affected would like steps to be taken to avoid this situation. However, given the timing, it is likely that the only practical step to avoid the situation would be for Ernst and Young to reverse the action they have said they will take. Since that is unlikely, it is important that the problems of those local authorities affected are minimised and that they do not suffer additional consequences for something which is clearly out of their control. Councils should not be criticised for failing meeting a deadline through no fault of their own.

For example, the LGA's Resources Board thought that the affected local authorities should be excluded from any reporting of performance metrics where the failure of their

accounts being audited would show them in a bad light, for example reporting of councils that have / have not published their accounts on time.

The Resources Board was also concerned that the affected councils do not incur additional costs, particularly audit costs, as a result. We would ask that PSAA ensure through the contract management process that this does not happen

Clearly the delay will cause councils great inconvenience. Reporting timetables will have to be changed. Council staff will have to spend time on the accounts when they would be planned to be working on other matters – such as planning the budget for the next year; critical staff will have booked leave over the summer in the expectation that the accounts process will be complete by the 31st July. This may mean key staff won't be available at crucial times for the audit, or for additional staff resources needing to be employed; they may also have to spend longer on working on the accounts and providing the auditors with support and information. In such circumstances, it would clearly be unfair for councils to incur any additional audit costs.

We understand PSAA are continuing to discuss with Ernst and Young and the authorities affected and we hope that all steps can be taken to ensure the audits take place as soon as possible. We are grateful to PSAA for keeping us sighted on the issue and for liaising in relation to the response.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Richard Watts', with a stylized flourish at the end.

Cllr Richard Watts,
Chair Resources Board

25 June 2019

Cllr Richard Watts
 Chair, Resources Board
 LGA
 Smith Square

Email	tony.crawley@psaa.co.uk
Phone	07976887573
Our reference	EY LGA RB

Dear Councillor Watts

EY rescheduling of 2018/19 audits

Thank you for your letter regarding the Resources Board's concerns in relation to Ernst and Young (EY)'s rescheduling their audits of 2018/19 audits at 19 of our clients. We agree with you that this is clearly not a satisfactory position, and we regret the inconvenience caused to the 19 affected bodies.

As you mention the situation has arisen due to a shortage in certain locations of EY staff with the appropriate skills to carry out the specialist role of local government audit. EY recognises that the quality of the audit and resulting opinion is of critical importance, and that it must get back to the position where it is able to deliver both quality and timeliness. EY is working with the affected clients to complete this year's audits as soon as possible, taking into account their individual circumstances.

Looking beyond the current problems, we have stressed to EY that this situation must not occur again, and it has committed to resolving the shortage through recruitment and training along with other operational measures. We will be closely monitoring progress with a view to ensuring that for the remainder of the contract EY is not responsible for any of its 184 PSAA clients missing the 31 July target date.

Your letter refers to the need to ensure that the affected clients are not criticised for missing the target deadline date. We agree, and have provided assurances to that effect about any reporting that we do. We have also ensured that the NAO, MHCLG, FRC, ICAEW and of course LGA staff are fully aware of the audit circumstances being beyond the control of our clients. The clients will also be able to set out the position clearly in the statement that they are required to publish on their websites by 31 July explaining why audited accounts are not available by that date.

All variations proposed by auditors to the scale fee set for the audit are subject to consultation by the auditors with the individual clients, and then to PSAA review. We will take all matters into account for any variations proposed by EY, including any views expressed by the affected clients.

We are aware that the EY shortage needs to be seen in the wider context of the sustainability of the supply of local audit. We provided the June IDeA Board with a paper outlining the associated challenges and potential ways forward.

Thank you for acknowledging that we have kept our key LGA colleagues informed. We will continue to share information and developments as a part of our regular contact with them.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Crawley', with a stylized, cursive script.

Tony Crawley
Chief Executive

Document is Restricted

Presentation from The Children's Society on Co-ordinated Crisis Support

Purpose of report

For information.

Summary

An overview of the programme, provided by The Children's Society, is supplied here as background information.

The LGA has been part of the advisory panel engaged by The Children's Society in the design of this programme. We have agreed with them that, where possible, we will draw on the learning from their work and integrate it with our Reshaping Financial Support Action Learning Programme. We will also offer support and advice, where appropriate, for their engagement with participating councils.

Members should note that while the LGA is supportive of the objectives of the programme we have been clear throughout discussions that, since the removal of separately identified funding for local welfare schemes, councils have found it increasingly challenging to fund, co-ordinate and deliver crisis support.

Recommendation

For members to contribute views on how The Children's Society's funded programme can benefit the sector, and how it might link effectively to the LGA's work on welfare reform and financial inclusion.

Action

Officers to take forward with members' steer.

Contact officer:	Rose Doran
Position:	Senior Adviser
Phone no:	020 7664 3073
Email:	rose.doran@local.gov.uk

Coordinated Crisis Support summary.

For too many people, the possibility of a decent, socially acceptable standard of living is undermined by a financial crisis that puts their health and wellbeing at risk. This might include a need for emergency food or fuel, urgent need to replace broken white goods or furniture, or emergency travel expenses.

These needs are often addressed at a local level through local emergency assistance projects. At their best, such schemes can both provide emergency relief, and use this as an opportunity to start to develop relationships with people in need of support, not just to resolve an immediate crisis, but also help them to address any underlying difficulties. However, in many areas support is severely limited, and provision is frequently patchy, with both gaps and duplication. The incoherence of crisis support provision is illustrated in Linda, Mike and Casey's story, from The Children's Society's recent **"Not Making Ends Meet"** report.

Linda, Mike and Casey's story

One day Linda and Mike's godchild, Casey, came to the door having been kicked out of her home. She was in her pyjamas and had her schoolbag and school uniform with her. The police asked Linda and Mike if she could stay with them for the night and told them that social services would be in touch the following day to organise something more permanent for Casey. They obviously did not want Casey to be homeless for the night and so took her in but they were clear it could not be permanent and that it would place them under significant financial strain.

Every day for the rest of the week Linda would telephone social services to ask for help. She felt like she was passed around and ignored. Because Casey had a roof over her head and was safe, they did not seem to care.

Social care did suggest the food bank to Linda as a way to relieve the financial pressure, but they would not provide a referral voucher. Linda went to the food bank and they helped her identify some other referring agencies. Casey's school was on the list and Linda thought that given they knew about Casey's situation they would be the most likely to offer help.

Linda went to the school to ask for a voucher but the school had never given out a voucher. The first staff member Linda asked was not aware they could. It took her several tries to get the voucher. By the time they got the voucher Linda had spent all her money for the week on the energy pre-payment meter as all of Casey's clothes had been dirty and she had needed to wash and dry them all.

A patchy system of emergency provision can lead to people falling through the net. Some may be left without the food, fuel or other emergency essentials they urgently need; others may get some initial help but be left to face longer term problems alone. The Coordinated Crisis Support programme aims to:

- i. Address the gaps that exist in emergency support provision through better networking of different local agencies involved in the provision of emergency assistance.
- ii. Reduce repeat instances of financial crisis by addressing underlying causes of crises, as well as the immediate emergency.

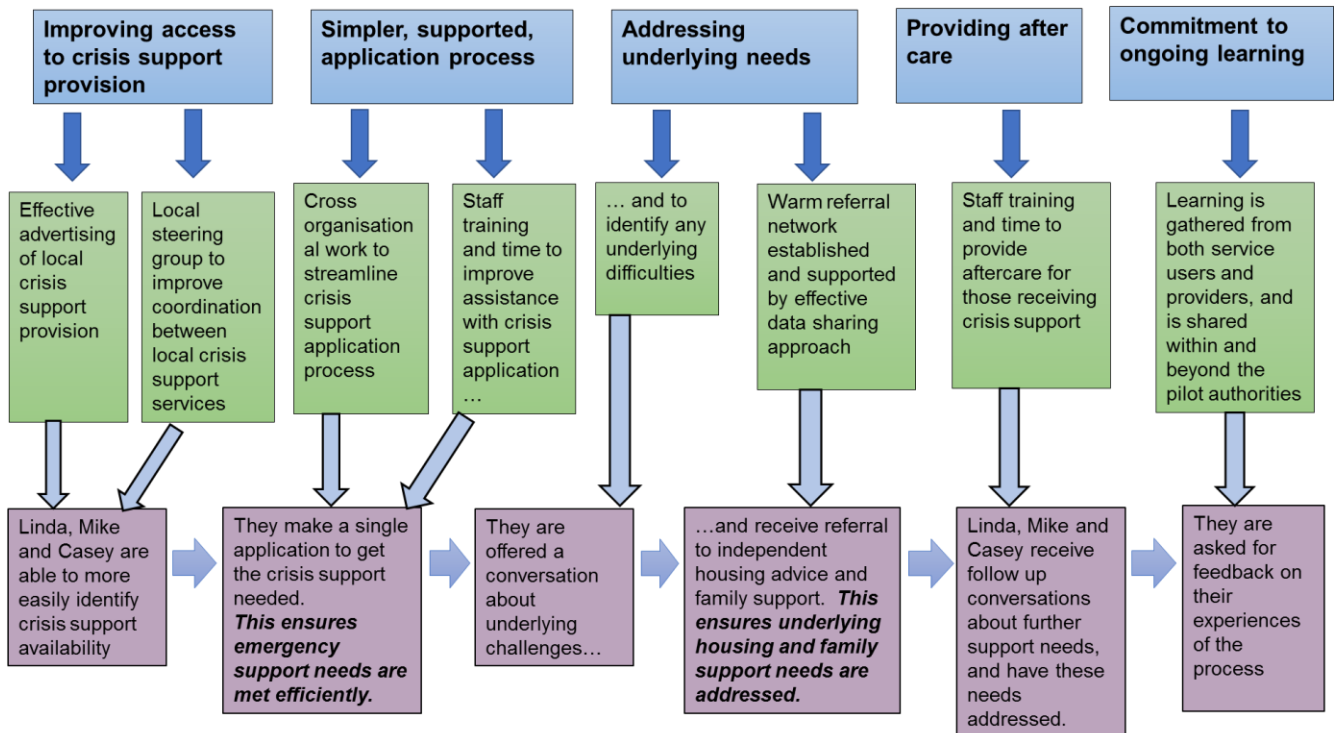
i. How would the programme work?

Initially the Coordinated Crisis Support Programme would work in five different local authority areas to set up pilot projects providing the support, guidance and resources local community organisations need to better coordinate crisis provision. Whilst the programme will set out clear guidelines for what a local project should look like, and provide support with delivery, the development of the operational detail will be determined by local groups themselves in consultation with a national programme coordinator. Each project would have the following key components:

- **Improving access to crisis support schemes**
- **A simpler, supported, application process**
- **Addressing underlying needs to prevent the recurrence of crisis**
- **Providing aftercare**
- **A commitment to ongoing learning**

Agenda Item 3

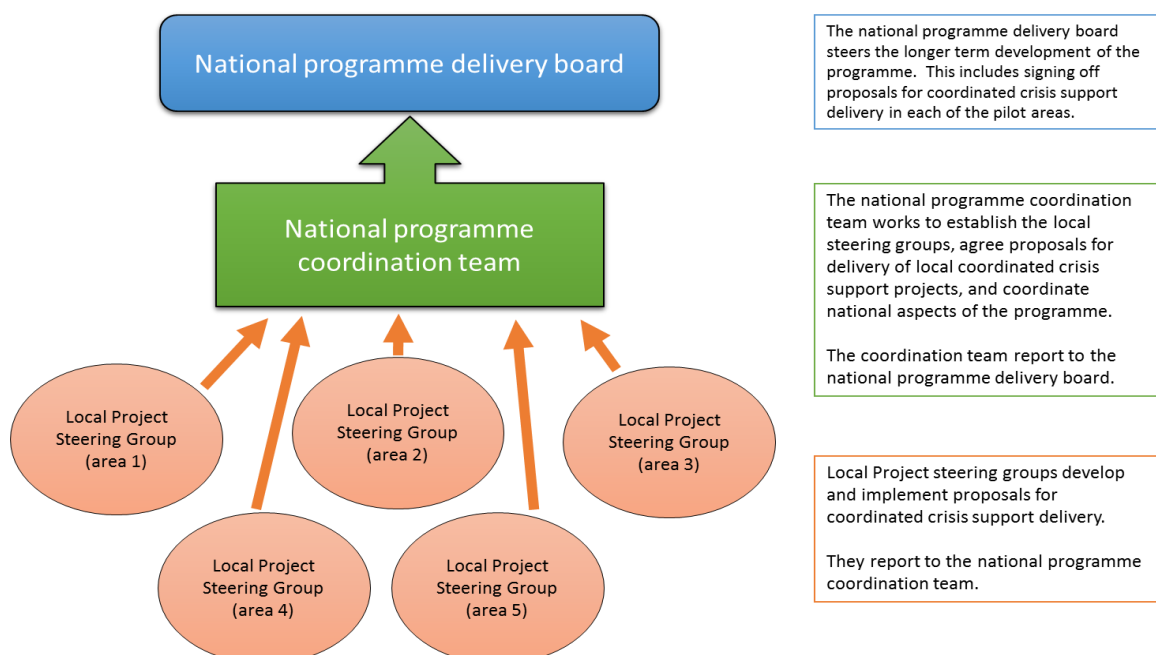
The diagram below indicates how the key programme principles (in blue) would be operationalised in programme activities (green) and the intended impact of this on a household's experience (in purple – the potential impact on Linda, Mike and Casey's experience is used here as an example, also see their "alternative story" further below).



ii. Who would do what?

Delivery will principally operate at a local level in each of the five pilot sites, with support from a national programme coordination team. The prioritisation of local operations will ensure that each pilot is built on existing local experience, networks and relationships. However, some aspects of the programme will be more efficient to deliver at a national level (to enable them to be developed once for all of the pilot areas, rather than developed in each of the pilot areas independently) – these elements will be managed by the programme coordination team.

The programme coordination team will report to a national programme board comprised of principal funders and national delivery partners, and who will steer the ongoing programme development.



iii. What would success look like?

It is clear that there is an urgent need to develop a more effective approach to emergency support provision. This should bring together the VCFS and Local Government in effective collaboration and ensure that different agencies add value to (rather than displace) the work of each other. The ultimate goal of the investment is to address this challenge. To achieve this, the programme would have the following specific objectives:

- (1) To ensure that more people in local areas where projects are delivered have access to the emergency support provision they need, at the point when they need it
- (2) To ensure that, in each area where a project is delivered, any gaps in, or duplication of, crisis support provision available locally are reduced.
- (3) To reduce the recurrence of crises, by improving local referral networks, and thereby ensuring that recipients of crisis support also have access to support to address any underlying causes of difficulty.
- (4) To help identify and where possible address gaps in the services and projects needed to enable individuals and communities to flourish.
- (5) To better understand need and provision within each area in order to steer development of further interventions.
- (6) To improve the provision of crisis support nationwide by sharing learning from those areas where projects are delivered, with other Local Authorities across the country.

Some possible success indicators for the programme are outlined in the table below.

Outcome	Reason for outcome	Numbers affected
<i>(1) Numbers receiving crisis support through increases</i>	Better coordinated crisis support – including involvement from the Local Authority – ensures that additional claimants are receiving crisis support through other sources at the point they need it	Crisis support recipients increase by 4500 above baseline in year 3 across the five pilot areas.
<i>(2) Numbers receiving referrals to other support services at point of crisis increases</i>	Warm referrals process in place ensures claimants receive referrals to services to prevent the recurrence of crisis.	450 successful referrals across the five pilots made through crisis support network in year 3.
<i>(3) Numbers requiring repeat crisis support decreases</i>	Signposting to other sources of support reduces the likelihood of requiring repeat provision.	Of those successfully referred for ongoing support, follow up evaluation finds increases in financial stability and resilience.
<i>(4) Widespread engagement of organisations is secured for a local crisis support network</i>	Building a network of partners focussed on crisis support delivery is crucial to the effective operation of coordinated crisis support provision.	At least 20 organisations engaged in each area in delivery of coordinated crisis support provision (100 across five areas)..

Agenda Item 3

At the start of this document we outlined a real case of where services had failed to provide effective services. It doesn't have to be this way. The rewritten story below suggests how an effectively coordinated crisis support service could have better supported Linda, Mike and Casey when they needed help.

Linda, Mike and Casey's (alternative) story

One day Linda and Mike's godchild, Casey, came to the door having been kicked out of her home. She was in her pyjamas and had her schoolbag and school uniform with her. They obviously did not want Casey to be homeless for the night and so took her in but they were clear it could not be permanent and that it would place them under significant financial strain.

Crisis Support services were effectively advertised locally, so Linda and Mike were able to easily identify how to apply for emergency assistance and a local organisation who could help if needed.

The application process for crisis support has been streamlined to ensure that Linda and Mike can apply for all the support that they need (including immediate additional support with both food and fuel costs,) through a single application. They quickly received additional emergency support with food and fuel costs.

At the point of application, Linda and Mike were also offered a further conversation about their wider support needs. They take up this offer, and it is suggested that they might benefit from advice from an independent housing advice provider to help reconcile Casey's housing needs, and a referral to a family support provider who can help Casey to explore what support she might need in relation to her relationship with her family. The housing adviser provides support to ensure Casey has a permanent place to live. The family support work helps Casey to re-establish a positive relationship with her family.

After contact has been made with these services, the original organisation helping with the household's crisis support needs, gets back in touch to check up on the support Linda, Mike and Casey have received, and whether any further support would be beneficial. A particular emphasis is placed on following up with Casey about her aspirations, and the support she needs in order to flourish.

Appendix 1. Proposed model for setting up a local coordinated crisis support project in each of the five pilot areas

Stage	1. Initial stakeholder meetings to establish a local crisis support network	2. Analyse existing local need and provision	3. Put together a project steering group and local delivery plan	4. Create any project resources needed for improving local crisis support delivery	5. Establish a “warm referral network”	6. Train staff and volunteers to enable them to help with delivery	7. Deliver coordinated crisis provision	8. Provide an opportunity for service users to speak about their experiences	9. Test & learn to improve local delivery, and evaluate the impact of the programme
	<p>The national programme coordination team will get in touch with local organisations in the pilot area, to establish a network of local groups interested in improving local crisis support provision.</p> <p>Organisations contacted will vary, but will always include the Local Authority.</p>	<p>The programme coordination team will work with local stakeholders to better understand local need for crisis support, and existing provision.</p> <p>This will include exploring what crisis support is available locally – including geographical variation; what the eligibility criteria and application process looks like for different forms of support available; the extent to which</p>	<p>The coordination team will establish a small group of key local organisations to form a project steering group.</p> <p>The steering group will work with other local agencies, and previous crisis support service users, to develop a plan for implementation of a local scheme of crisis support delivery and agree this with the coordinator.</p> <p>This plan will set out how the pilot funding will be used in order to deliver the local</p>	<p>The programme coordination team will develop a set of tools to support the delivery of the local project.</p> <p>For example, this may include materials to more effectively advertise the provision of crisis support locally.</p> <p>They will also include a template data sharing agreement to help referrals</p>	<p>A key part of the project is the establishment of a warm referral network to enable participating organisations to signpost people in need to crisis support to other services which can help to prevent the recurrence of crises.</p> <p>A local data sharing agreement will be created, and used to support different</p>	<p>The programme will develop and deliver training to local agencies to assist them with supporting service users to access crisis support.</p> <p>Training will improve understanding of eligibility for, and access to, the different forms of crisis support available locally.</p> <p>Training will also seek to support staff</p>	<p>Services will assist with delivering coordinated crisis support to local people.</p> <p>The approach taken will vary between pilot areas (depending on the plan set out in (3)), but participating organisations will:</p> <p>*Ensure that local people are aware of the different forms of crisis support available in their area and which is most appropriate to an individual’s needs.</p> <p>*Work with individuals to assist them to access crisis support available.</p> <p>*Work with service users to understand the problems which</p>	<p>A framework will be developed to enable service users to voice their experiences of the problems which led to them reaching crisis point, their experience of the crisis support system itself, and systemic changes needed to improve responses in the future.</p> <p>The coordination team will work to ensure that</p>	<p>All projects will be provided with continuous monitoring, evaluation and learning.</p> <p>The evaluator and learning facilitator will hold calls with key members of the local steering group to identify their local objectives.</p> <p>Representatives from all 10 local areas will come together termly to reflect on learning. This will inform local delivery and evaluation.</p> <p>An annual “learning day” in each of the five local areas will</p>

	<p>different forms of support are known about and utilised</p> <p>The team will also explore the different sources of support available to prevent the recurrence of crisis.</p>	<p>scheme. The coordination team will then work with the steering group to unlock the funding.</p>	<p>to be made between local partners.</p> <p>These tools will then be adapted to meet the bespoke needs of the local community.</p>	<p>organisations to share information about a service user between different agencies.</p>	<p>to have conversations with service users about underlying crisis support needs, and any support they may need to help prevent the recurrence of difficulties.</p>	<p>led to them reaching crisis point, and where necessary, make warm referrals to other agencies to assist with these.</p> <p>*Follow up after crisis support has been provided to check their needs have been met, and ensure services are helping to prevent a repeat of crisis.</p>	<p>their voices influence the ongoing development of the programme, and local and national responses to crisis need.</p>	<p>summarise learning and progress.</p> <p>Quarterly monitoring reports, and an annual learning & evaluation report will be prepared covering each of the five local areas.</p>
National coordination team, local organisations and community groups	National coordination team, local organisations and community groups	National coordination team, core group of local agencies	National Coordination team, local steering group	Coordination team; local organisations; legal support to assist with implementing data sharing agreement	Training staff; local organisations	Local services, service users, crisis support providers	Service Users, Coordinator	Evaluator, Learning Facilitator, coordinator; Local Steering Group and five partner area representatives
	<p>This work will produce a report mapping crisis support need and provision for each local area,</p>	<p>A draft Terms of Reference will be needed for establishing the local steering group;</p> <p>Grant funding will be needed to enable design and implementation of local scheme.</p>	<p>Marketing materials and a template data sharing agreement will need to be produced for adaptation and use in each local area.</p>	<p>A local data sharing agreement will be needed</p>	<p>A training package will need to be developed.</p>	<p>All previously mentioned resources will assist with delivery.</p>	<p>A framework for capturing user experiences will need to be developed.</p>	<p>An evaluation framework and learning programme will need to be established.</p>
<p>This work will help with addressing outcome (4) which commits the programme to achieve</p>	<p>By establishing a baseline of activities and provision, this work will help establish the</p>	<p>By developing a local implementation plan for the project, this will help to address outcomes</p>	<p>Marketing materials will be key to addressing outcome (1) – numbers of</p>	<p>Establishing a warm referral network will be key to addressing outcome (2) -</p>	<p>Staff training will be key to improving take up of crisis support, and improving</p>	<p>Delivery is directly linked to achieving outcomes (1) to (3). In so far as a range of local organisations are involved, it will also</p>	<p>Learning from service users will be key to ensuring that delivery improves.</p>	<p>Evaluation and learning and will be key to ensuring that delivery improves. This will feed back into</p>

outcomes ?

widespread engagement of organisations is secured for a local crisis support network	knowledge base needed to address all outcomes (1)-(3). By drawing in a range of stakeholders to develop and review this work, it will help address outcome (4)	(1) to (3). By involving a wide range of stakeholders in developing and implementing the plan it will help address outcome (4).	people receiving crisis support. A template data sharing agreement will be key to achieving outcome (2) – improving onwards referrals to prevent recurrence of crisis.	improving onwards referrals to prevent recurrence of crisis.	referrals to prevent crisis recurrence – helping address outcomes (1) to (3). Involvement of a range of organisations in the training programme will help address outcome (4)	help address outcome (4).	This learning will feed back into service development – and so help to build a programme which better addresses all outcomes (1) to (4).	service development – and so help to build a programme which better addresses all outcomes (1) to (4).
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Appendix 2. Customer journey for coordinated crisis support provision

Step

1. Identify assistance available	2. Discuss options and help with accessing crisis assistance	3. Consider underlying needs and make referrals as necessary	4. Provide an opportunity for families facing crisis to voice issues affecting them	5. Provide aftercare
<p>When someone falls into crisis need they need to be able to easily identify the support available to help them.</p> <p>In order to help with this, the coordinated crisis support project should ensure that (1) local crisis support availability is well advertised and understood amongst those who need it, and (2) that people know where to seek help with the process of making an application for crisis assistance</p>	<p>Once someone has sought help to address a crisis need, they need a response which clearly sets out the options available locally, and help them with accessing support.</p> <p>In order to help with this, the coordinated crisis support service would seek to ensure that families facing crisis are offered (1) a discussion about their crisis needs and information about crisis support assistance available locally – helping to</p>	<p>Once someone's immediate emergency need has been addressed, consideration also needs to be given to why the crisis occurred, and what support could help to prevent the recurrence of difficulties in the future.</p> <p>In order to address this, the coordinated crisis support service will offer a further discussion of some of the underlying issues in the person's life which have led to them requiring crisis support.</p>	<p>Once someone's immediate emergency needs have been addressed, and they have received support to address issues which could risk the recurrence of crisis, they should also have the opportunity to have their voice heard on the issues that affected them, the responses they received, and what improvements could be made in the future.</p> <p>In order to address this, the coordinated crisis support programme will offer</p>	<p>Once someone's immediate emergency needs have been addressed, and they have received support to address issues which could risk the recurrence of crisis, they should receive on-going support to ensure that provision had had the desired impact, and ensure they receive any further support needed.</p> <p>In order to address this through the coordinated crisis support programme, the local</p>

Agenda Item 3

Actors

How does this link to the programme outcomes?

	<p>The programme will also work to ensure trusted relationships are built with those who may require crisis support in the future, to encourage them to seek help when they need it.</p>	<p>identify the most appropriate form of support available given their circumstances, and (2) advocacy on their behalf to ensure that they are able to access the support needed.</p> <p>The service should work with the service user to ensure that any barriers to accessing support are addressed (for example, any travel needs to collect assistance available.)</p>	<p>Based on this discussion referrals will be made through a “warm referral network” to partners able to deliver support with different issues which may lead to recurrent crises.</p> <p>Improvements in data sharing within the local crisis support network will help ensure that all agencies referred to have shared information about the individual to assist with the provision of support, and avoid duplication.</p>	<p>opportunities for those who have faced crisis to speak out on issues affecting them.</p> <p>The programme coordination team will liaise with local projects to ensure service user voices contribute to on-going service development, and are fed back to key decision makers at a local and national level.</p>	<p>service first engaging with the service user will follow up at given intervals to explore the impact of interventions received, and whether they require any further support.</p> <p>They will make further referrals as necessary to ensure the individual has their on-going support needs met.</p> <p>Individual outcomes will be recorded to assist with programme learning and development.</p>
	Local services, programme coordination team	Local Services	Local services delivering crisis support; <i>and</i> Local organisations to whom referrals are made.	Service users; Local services; Learning and evaluation team; Coordination team	Local services; Learning and evaluation team
	<p>Marketing tools will be needed to help with effective advertising of the local crisis support scheme</p> <p>Grant funding for local service providers will be needed to enable delivery of coordinated crisis support provision.</p>	<p>A training programme on supporting people to access crisis support provision will be needed for local services;</p> <p>A local information database about crisis support availability will need to be developed</p>	<p>A warm referral network will need to be developed between local agencies- this will require, and be based on, improved local data sharing approaches</p> <p>A training programme to support identification of underlying needs leading to crises emerging will be needed for local services.</p>	<p>A framework for capturing user experiences will need to be developed.</p>	<p>Training on the provision of follow up support will be needed for local services</p> <p>A database to record outcomes will need development</p>
	This work will help to address outcome (1) by ensuring more people are able to easily access crisis support.	This work will help to address outcome (1) by ensuring more people are able to easily access crisis support.	<p>By ensuring those receiving crisis support get help to prevent the recurrence of crisis, this will help address outcomes (2) and (3).</p> <p>By involving a range of partner organisations in the referral network, this will also help address outcome (4)</p>	Capturing user experiences and ensuring these help deliver programme learning and wider systemic change, will help address outcomes (1) to (4)	Provision of aftercare to ensure those receiving crisis support get help to prevent the recurrence of crisis will help address outcomes (2) and (3).

Membership and Terms of Reference for 2019/20

Purpose

For discussion and decision.

Summary

For Members to note the membership, and agree the Terms of Reference of the Resources Board for 2019/20.

Recommendations

Members of the Resources Board are asked to:

1. Note the membership of the Board for 2019/20 (table one);
2. Agree the Board's Terms of Reference for 2019/20 (paragraph 1 – 12); and
3. Agree to Membership of any Outside Bodies (paragraph 13 onwards)

Action

Officers to take any actions as required.

Contact officers:	Jonathan Bryant
Position:	Member Services Officer
Phone no:	020 664 3004
E-mail:	Jonathan.Bryant@local.gov.uk

Resources Board – Membership 2018/19Table One

Councillor	Authority
Conservative (7)	
Cllr Tim Oliver (Vice Chairman)	Surrey County Council
Cllr Philip Atkins OBE	Staffordshire County Council
Cllr David Finch	Essex County Council
Cllr Daniel Humphreys *	Worthing Borough Council
Cllr Peter Jackson *	Northumberland Council
Cllr Roger Phillips	Herefordshire Council
Cllr Richard Wenham	Central Bedfordshire Council
Substitutes	
Cllr David Leaf **	Bexley Council
Cllr Byron Rhodes	Leicestershire County Council
Cllr Andrew Leadbetter	Devon County Council
Labour (7)	
Cllr Richard Watts (Chair)	London Borough of Islington
Cllr Tudor Evans OBE*	Plymouth City Council
Cllr Sharon Taylor OBE	Stevenage Borough Council
Cllr Tony Newman	Croydon Council
Cllr Tom Beattie	Corby Borough Council
Cllr Peter Marland	Milton Keynes Council
Cllr Sue Murphy CBE	Manchester City Council
Substitutes	
Cllr Terry Paul **	Newham London Borough Council
Cllr Erica Lewis **	Lancaster City Council
Cllr John Merry CBE	Salford Council
Liberal Democrat (2)	
Cllr Keith House (Deputy Chair) *	Eastleigh Borough Council
Cllr Adam Paynter	Cornwall Council
Substitutes	
Cllr Mike Bell **	North Somerset Council
Independent (2)	
Cllr Jason Zadrozny (Deputy Chair) *	Ashfield District Council
Cllr Phelim MacCafferty *	Brighton & Hove City Council
Substitutes	
Cllr Loic Rich **	Cornwall Council

* New Board Members

** New Board Substitutes

Terms of Reference

Purpose of Committee: Resources Board

1. The LGA's Resources Board will shape and develop the Association's policies and programmes in line with the LGA priorities in relation to: Local Government Finance; Welfare Reform; EU Funding and Workforce issues.

Specific responsibilities

2. Local Government Finance: issues relating to the financing of local government expenditure. The Chair of the Resources Board also chairs the LGA's Task and Finish Group on Business Rates Retention and the Fair Funding Review
3. Welfare Reform: issues relating to welfare reform.
4. EU Funding: issues relating to current EU funding and the future design and delivery of replacement funding.
5. Workforce Issues: including pay and reward; productivity; pensions; the role and responsibilities of the employers the LGA represent; workforce development; equalities; and other strategic workforce challenges.

Operational accountabilities

6. Boards will seek to involve councillors in supporting the delivery of these priorities (through task groups, Special Interest Groups (SIGs), regional networks and other means of wider engagement); essentially operating as the centre of a network connecting to all councils and drawing on the expertise of key advisors from the sector.
7. The Resources Board will be responsible for:
 - 7.1 Ensuring the priorities of councils are fed into the business planning process.
 - 7.2 Developing a work programme to deliver their brief, covering lobbying, campaigns, research, improvement support and events and linking with other boards where appropriate.
 - 7.3 Sharing good practice and ideas to stimulate innovation and improvement.
 - 7.4 Representing and lobbying on behalf of the LGA, including making public statements on its areas of responsibility.
 - 7.5 Building and maintaining relationships with key stakeholders.
 - 7.6 Involving representatives from councils in its work, through task groups, Commissions, SIGs, regional networks and mechanisms.
 - 7.7 Responding to specific issues referred to the Board by one or more member councils or groupings of councils.

- 7.8 Providing views, as appropriate, to inform the decision making responsibilities of the national negotiating committees and the Local Government Pension Committee.

8. The Resources Board may:

- 8.1 Appoint members to relevant outside bodies in accordance with the Political Conventions.
- 8.2 Appoint member champions from the Board to lead on key issues.

Quorum

9. One third of the members, provided that representatives of at least 2 political groups represented on the body are present.

Political Composition

Conservative group	7 members
Labour group:	7 members
Liberal Democrat group:	2 members
Independent group:	2 member

10. Substitute members from each political group may also be appointed.

Frequency per year

11. Meetings to be five times per annum.

Reporting Accountabilities

12. The LGA Executive provides oversight of the Board. The Board may report periodically to the LGA Executive as required, and will submit an annual report to the Executive's July meeting.

Outside Bodies

13. Currently the Board has selected one Member to one Outside Body:

- 13.1 Cllr Sharon Taylor – Enforcement Law Reform Group – appointed March 2018.

Resources Board Priorities and Work Programme 2019/20

Purpose

For discussion and agreement.

Summary

This report outlines proposals for the Board's priorities and key areas of work, set against the available resources.

Recommendation

That Members of the Resources Board agree its priorities and work programme for the 2019/20 meeting cycle.

Action

Officers to take any actions as required.

Contact officers:	Sarah Pickup
Position:	Deputy Chief Executive
Phone no:	0207 664 3109
E-mail:	Sarah.Pickup@local.gov.uk

Resources Board Priorities and Work Programme 2019/20

Background

1. The Local Government Association's (LGA) Boards engage with and develop a thorough understanding of councils' priorities in relation to their particular programme area. They also help shape our business plan and, through extensive engagement with councils, oversee programmes of work that deliver the strategic priorities set by the LGA Executive.
2. The LGA's Resources Board shapes and develops the Association's policies and programmes in line with the LGA priorities in relation to: Local Government Finance; Welfare Reform; EU Funding; and Workforce.
3. At this first meeting of the Resources Board for the 2019/20 meeting cycle, members are asked to consider the policy priorities for the work programme for the coming year. In making these decisions, members are asked to consider specific policy priorities based on the remit of this Board, as well as the wider priorities of the LGA.

Board Work Programme and Resources

4. This report sets out a suggested work programme for the Board that will help deliver the LGA's Business Plan priorities. Members are asked to consider the following priorities and projects listed below as the Board's focus for the coming year.

Workforce

5. Priorities for Workforce come under the Ministry of Housing, Communities & Local Government (MHCLG) memorandum of understanding (MoU), which helps inform the work and priorities of the Resources Board.
6. The MoU sets out that programmes to deliver this overall outcome will follow the priorities set out in the recent Workforce Focus publication which will drive our work over the next few years and will take into account the potential workforce issues that may arise from Brexit. The five priorities set out in Workforce Focus as a result of consultation in the sector are:
 - 6.1 organisational development;
 - 6.2 skills development;
 - 6.3 Leadership;
 - 6.4 Recruitment and retention; and
 - 6.5 Pay and reward.
7. The general objective for the next year in the MoU is: "Councils are supported to address current and future workforce changes associated with public sector reform, the

practical implementation of current employment legislation etc., to modernise and transform the way they work, developing workplace cultures that motivate and value staff at all levels and to increase diversity and inclusion.”

8. Specific deliverables under this objective will include:
 - 8.1 Help councils to address inequalities, gender pay gap, ethnicity gap and the roll out of Disability Confident.
 - 8.2 Support over 50 councils to transform their workforces and modernise the way they are managed through a range of HR/OD initiatives and in line with sector priorities.
 - 8.3 Identify the five occupations with the most significant recruitment and retention problems and target advice and support on those areas.
 - 8.4 An apprenticeship programme (of encouragement and practical support) designed to help councils increase the number of apprentices and maximise their levy investment.
9. There is an additional objective under the MoU to ensure *that “Pay settlements are agreed and workforce disruption minimised”*. Deliverables to include: maintaining the national negotiating machinery on pay and workforce issues, facilitating the negotiation of a pay agreement that builds on the progress made in introducing a new pay spine for local government that addressed the challenge of the National Living Wage and avoids the duplication of single employer negotiations. To deliver pay agreements for other occupational groups that are not in the middle of current two-year agreement.
10. The Workforce team will continue to develop and provide advice on employment law issues and to respond on behalf of the sector to legislative and regulatory consultations.
11. The team has a special responsibility for resolution of complex senior employee relations cases which continues to grow
12. The team also has an income-generating responsibility which will continue to focus on:
 - 12.1 Providing bespoke consultancy on recruiting, organising and rewarding senior management teams.
 - 12.2 Job evaluation.
 - 12.3 Enhancing and growing the information and support subscription service provided to associated employers such as academy trusts through the “Employer Link” programme.

Local Government Finance

Spending Review 2020

- 13 Working with other Boards to develop and deliver a high profile campaign and reports in advance of the 2020 Spending Review that make the case for adequate resources for local government and the additional freedoms and flexibilities needed.
- 14 This is a high priority for the LGA and is being led by Leadership Board and Executive with contributions from all relevant boards.

Business Rates Retention

- 15 A long-term work programme on increasing local government retention of business rates and redesign of the retention system to more effectively manage risks.
- 16 This is high priority work for the Local Government Finance Team. This work is being led by the Business Rates Retention and Fair Funding Review Task and Finish Group, Leadership Board and Executive.

Review of Relative Needs and Resources ('Fair Funding Review')

- 17 Work to ensure the Government conducts its review in an open, transparent and timely fashion with all parts of local government having an opportunity to provide evidence and make their case. The results of the review will contribute towards setting individual local authority funding levels in the next decade.
- 18 This is a high priority for the LGA. This work is being led by the Business Rates Retention and Fair Funding Review Task and Finish Group, Leadership Board and Executive.

Other Business Rates Issues

- 19 Work includes changes to the system of business rates including more frequent revaluations and flexibility around reliefs and pressing for changes to reduce business rates avoidance. Given the impact of these changes on local authority income this work is a priority.

Local Government Set Pieces

- 20 To understand and debate the financial challenges facing councils and support the Leadership Board and Executive in developing policy and funding asks in response to the annual local government finance settlement and Autumn Budget.

Council tax and other local financial flexibilities

- 21 Press for freedoms that lead to greater local financial autonomy with a view to achieving local control over council tax, councils being able to raise more funds locally including the right to determine new local taxes and set fees and charges which fully recover costs.

Capital Financing

- 22 Contributions to national reviews so that they enable rather than restrict prudential financial management.

Other Finance Policy

- 23 To influence thinking, formulate policy and respond on behalf of the local government sector so that councils are supported by an appropriate financial framework that is appropriate, not over restrictive and balanced with local freedom and accountability. This will include responding to ad hoc financial consultations and reports that impact on local government, including but not limited to, accounting practices, audit policy, treasury management, and other related issues.

Contribute to wider LGA objectives

- 24 Provide local government finance support to other Boards on service-specific issues.

EU Funding

- 25 The Board's two priorities for 2019/20 will be to ensure that current EU funding is fully spent until the end of 2020, and any local economic issues arising from the UK's exit from the EU. The second is to ensure that there is a smooth transition from ESIF to the domestic replacement, the UK Shared Prosperity Fund (UKSPF). The LGA is lobbying for this to be a localised, place based fund, which affords maximum flexibility to target local needs and tailor support where it has best impact.

Welfare Reform

- 26 Build on the DWP / LG annual 'cost refresh' exercise to ensure that councils are fully reimbursed for their role in delivering Housing Benefit and administrative work related to Universal Credit, including emerging requirements in relation to Temporary Accommodation and Supported Accommodation.
- 27 Continue to ensure that all challenges arising from the implementation of Universal Credit are recognised and funded, and that councils have both the information and the funding to support claimants, particularly in relation to 'move to UC' of claimants on legacy benefits, with the Harrogate pilot commenced in July 2019.
- 28 Make the case, and develop the evidence base, for the private sector Local Housing Allowance (LHA) rate to adequately and appropriately meet housing costs for low income households in the PRS. Including commissioned research, partnership working with key stakeholders, liaison with DWP and HMT ministers and work with councils. Link this wider work on housing and homelessness in partnership with EEHT Board.

- 29 Deliver the LGA's commissioned 'reshaping financial support' action learning programme. This programme is being funded by LGA improvement budget and contributions from partners and will be delivered with four core councils for 12-18 months from Autumn 2019.
- 30 Contribute to emerging policy development and implementation on financial inclusion and sustainability including the cross-Government debt strategy, new approaches to CT recovery and HMT's Breathing Space initiative.
- 31 Continue to make the case for an appropriately recognised and resourced local safety net, including work with partners on developing local approaches to crisis support and the future funding and use of Discretionary Housing Payment.
- 32 Ensure that the LGA's work on welfare reform is effectively integrated with work on housing, employment and health and continue to press Government for a more integrated approach to improving life chances and promoting social mobility. Make the necessary links with the Troubled Families programme on outcomes for disadvantaged households.

Financial implications

- 33 This programme of work will be delivered with existing resources. Additional supporting projects may be commissioned subject to funds being available from a directorate / team budget.

Note of last Resources Board meeting

Title:	Resources Board
Date:	Monday 13 May 2019
Venue:	Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

Attendance

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

Item	Decisions and actions
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1 Welcome, Apologies and Declarations of Interest

The Chair welcomed members to the meeting. Due to the recent Local Elections, members introduced themselves and the authorities they represented.

The following declarations of interest were made:

- Cllr Murphy declared that their partner is employed by the Citizens Advice Bureau on the Money Advice Service. This was in relation to item seven.
- Cllr Rhodes declared that they are a landlord. This was in relation to item six.

No other declarations were made.

Apologies were noted (which can be found at **Appendix A**).

2 Update Reports

Part A of the Resources Board agenda makes up the update items and reports, which are for members to note.

The Chair requested introductions for **Appendices A & B**, of item two, as well as the verbal updates for Universal Credit and EU Funding be given first, and members ask their questions after introductions to items were made.

Below are both the items introductions and discussions that took place between members and officers.

3 Local Government Finance Update

Nicola Morton, Head of Local Government Finance, introduced item two, **Appendix A**, the Local government Finance Update.

This introduction focused on the 2019 Spring Statement; the Treasury's Select Committee Inquiry into business rates; the CIPFA Financial Management code; the Fighting Fraud and Corruption Locally Board (supported by the LGA and MHCLG); and an E-Commerce levy (and details around budgeting for this).

Following this update, the Chair thanked Nicola.

Action

Members noted the update.

4 Workforce update

Naomi Cooke, Head of Workforce, introduced the item two, **Appendix B**.

Naomi's update focused on; pay negotiations for teachers, fire service staff and local government services staff; the Workforce team's most recent survey data (including the Gender Pay Gap); Workforce Focus; future migration rules pertaining to Brexit; and Apprenticeship work with government.

Following this update, members made the following points:

- Discussions around the government's response to the apprenticeship levy, and their concerns over those that are either over-spending or underspending. Discussions then took place over flexibility of funding and the differences of opinions held by government, who would rather focus on targets.
- Members questioned the response rates to the surveys undertaken, and if officers deemed this high. Naomi responded that these were higher than previous years, however, the main focus of this was the importance of getting quality evidence. Naomi confirmed that the workforce survey response is up by almost 10 per cent.

Following the discussions, the Chair thanked Naomi for the update and members for their comments.

Action

Members noted the update.

5 EU Funding (verbal update)

The Chair invited Paul Green, Adviser, to give members a verbal update on EU Funding.

Paul's update focused recent developments on EU funding, which included reserve funds and the need for transition to the domestic replacement, the UK Shared Prosperity Fund (UKSPF).

Following the update, members discussed the need to push for the release on the UKSPF consultation, and how now this is a matter of urgency. Members agreed the need to continue to push government for this.

The Chair then thanked Paul for the update and the continued work.

Action

1. Members noted the update.

6 Universal Credit (verbal update)

Rose Doran, Senior Adviser, then provided members with a verbal update on Universal credit (UC). This update included details around UC transitions, the 1.5 million claims that now fall under UC, as well as details pertaining to the Citizens Advice Bureau, their partnership with the Department for Work and Pensions and the LGA's successful efforts to form a strategic partnership with them.

The Chair thanked Rose for the update.

Action

1. Members noted the update.

7 Other Business - update from Equalities and Diversity Champion

Cllr Taylor, Equalities and Diversity Champion for the Resources Board, updated officers and members with the following information:

- The upcoming LGA Equalities and Diversity Conference on 1 October 2019. Cllr Taylor encouraged all in the room to attend, and stated the programme was currently being finalised.
- Mental Health video launch; the video aims to promote ways to support workforce. Cllr Taylor went on to state that this is being relaunched in Mental Health Awareness Week, with another video made on the gender pay gap.
- Officers are currently developing a wellbeing review tool – which acts as a mini peer review. More information to follow.

Following the update, the Chair thanked Cllr Taylor.

Actions

1. Members noted the update.
2. A future update to be given by the Equalities and Diversity Champion to Board members.

8 National Audit Office, Local Audit in England Code of Audit Practice Consultation response

Bevis Ingram, Senior Adviser, introduced item three.

Bevis' introduction included details of the two-stage review of the code :

1. Current consultation to identify any major issues with the existing code.
2. Further consultation in October 2019 on the draft code.

Bevis stated that broadly speaking, the current code is acceptable for local government. However, there are some concerns about the quality of audit, how the code covers other bodies (such as the NHS and police) as well as other points captured in the draft consultation response.

Following Bevis' update, Cllr Carrick raised a number of suggestions for improving the consultation response, including adding in a further comment about auditing of partnerships and links to international standards.

Members also discussed that auditors are raising significant capacity issues which is affecting the ability to deliver audits on time. This poses significant issues for the local government sector. A specific issue was identified with the firm Ernst and Young and their timetable for the audit of local authorities in the East of England and the East Midlands.

Following the discussion, the Chair thanked Bevis for the presentation and member for their comments.

The following **actions** were agreed:

1. Cllr Carrick and Bevis to meet to discuss strengthening the consultation response.
2. Revised response to be agreed by Resources Board Lead members, following the meeting between officers and Cllr Carrick.
3. Resources Board Chairman to write to PSAA and MHCLG raising concerns about the Ernst and Young issue and the impact on local authorities affected.

9 Exit Payments Cap

Naomi Cooke, Head of Workforce, and Jeff Houston, Head of Pensions, introduced item four.

Naomi's and Jeff's presentation included specific details on the cap; how the cap would be applied in local government; details around relaxing the cap; decision making responsibilities; implications for the Local Government Pensions Scheme (including corrections that are needed to draft regulations); and next steps and timescales. Naomi concluded that:

- Officers expect the LGA's Leadership Board will want to discuss this item, and the discussions from Resources Board members obtained will act as a briefing for this future discussion.
- For members to endorse this approach to the consultation.

The Chair stated that the government is looking to – understandably –

stop very high-payments or payoffs to certain individuals, however, they have adopted a one size fits-all approach. Members then discussed the following:

- Members raised concerns regarding long-serving local government employees that are possibly on a low wage that may hit this cap. Members agreed that this is not fair to these individuals.
- Members agreed that is vital for a robust response.
- Members discussed the three different courts that have a potential to impact the cap.
- Members discussed the discrimination factor of the cap; figures show the chances obtaining employment after redundancy at a certain age goes down.

Action

Members agreed the response consultation.

10 Low Pay Commission consultation on National Living and Minimum Wages

Naomi introduced item five. Naomi stated that the Low Pay Commission is currently consulting on setting the level of the statutory National Minimum Wage and the National Living Wage for April 2020. The consultation also seeks views on the approach to be taken after 2020. This report sets out the LGA's proposed response to the consultation.

Following the update by Naomi, members discussed the following:

- Members discussed question 13, and the figure of 60 to 66 per cent given in the response. Members reminded officers that this would significantly impact councils and prove very expensive for the local government sector.
- Members discussed the wording used and how this should be strengthened.
- Members discussed the low pay impact on differentials, as well as the big costs associated with raising the minimum wage limit. They have to be talked about together. Members stated that they don't object to increasing the minimum wage, but this causes a natural pressure on services such as domestic and residential care homes.
- Members raised the issues of the social work workforce, and the difficulty to recruit and retain this essential workforce. Members further mentioned the impact of Brexit on this.
- Members agreed that higher pay is better, but awarded on a evidential basis.

The Chair concluded the discussion by giving an example of Islington raising the living wage, and how costs came in under budget due to a lack of recruitment and more retention. The Chair then thanked members and officers of their contributions to the discussion.

Actions

1. Members noted the update.
2. Members agreed to the response.

11 Local Housing Allowance briefing to Secretary of State for Work and Pensions

Rose Doran, Senior Adviser, introduced item six, which updated members on the policy briefing that went to the roundtable held with the Secretary of State (SoS) for the DWP. Rose' update included the position of the LGA, which is shared with Crisis, Shelter, London Councils, and other partners. Rose stated that this briefing is not just focused on the Local Housing Allowance, but also on the bigger picture, which includes working with MHCLG and the wider community.

The Chair briefly fed-back to members his observations of the roundtable, which included the SoS Amber Rudd MP being very receptive and communicative. The Chair went on to state that it is vital to restore the private sector LHA rate back to the 30th percentile of market rents. This position is agreed by the LGA, as well as most of the housing associations and charities. However, the issue and ultimate decision sits with the Treasury.

Following this, members discussed ways to raise this issue with government and to gain further traction. Members agreed that this was another issue whereby local government is underfunded but expected to solve the issue. Members went on to mention new statutory local government duties to tackle homelessness and funding domestic abuse refuges. Members agreed that local government can resolve issues, but not through chronic underfunding.

Action

1. Members noted the update.

12 Reshaping financial support programme

Rose Doran, Senior Adviser, introduced item seven, and gave an update on the Reshaping Financial Support programme.

Following this update, members and officers proceeded to have a confidential discussion.

Action

1. Members noted the update.

13 Spending Review update

Sarah Pickup, Deputy Chief Executive, presented item eight to the Board, and updated members on the LGA's work for the upcoming Spending Review.

Following this update, members and officers proceeded to have a confidential discussion.

Action

1. Members noted the update.

14 Fair Funding Review and Business Rates Retention Update

Item nine was introduced by Nicola Morton, Head of Local Government Finance, who updated members on the LGA's work on the Fair Funding Review and Business Rates Retention.

Following this update, members and officers proceeded to have a confidential discussion.

Action

1. Members noted the update.

15 Note of last Resources Board meeting

Members agreed to the note of the last Resources Board that took place on Tuesday 26 February 2019.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Richard Watts	Islington Council
Vice-Chairman	Cllr John Fuller OBE	South Norfolk District Council
Members	Cllr Philip Atkins OBE	Staffordshire County Council
	Cllr Hilary Carrick	Cumbria County Council
	Cllr David Finch	Essex County Council
	Cllr David Harvey	Westminster City Council
	Cllr Roger Phillips	Herefordshire Council
	Cllr Byron Rhodes	Leicestershire County Council
	Cllr Richard Wenham	Central Bedfordshire Council
	Cllr Tom Beattie	Corby Borough Council
	Cllr Peter Kelly	Preston City Council
	Cllr Peter Marland	Milton Keynes Council
	Cllr Sue Murphy CBE	Manchester City Council
	Cllr Sharon Taylor OBE	Stevenage Borough Council
	Cllr Sian Timoney	Luton Borough Council
	Cllr Adam Paynter	Cornwall Council

LGA location map

Local Government Association

18 Smith Square
London SW1P 3HZ

Tel: 020 7664 3131

Fax: 020 7664 3030

Email: info@local.gov.uk

Website: www.local.gov.uk

Public transport

18 Smith Square is well served by public transport. The nearest mainline stations are: Victoria and Waterloo: the local underground stations are

St James's Park (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

Bus routes – Horseferry Road

507 Waterloo - Victoria

C10 Canada Water - Pimlico - Victoria

88 Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

Bus routes – Millbank

87 Wandsworth - Aldwych

3 Crystal Palace - Brixton - Oxford Circus

For further information, visit the Transport for London website at www.tfl.gov.uk

Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at 18 Smith Square. Please telephone the LGA on 020 7664 3131.

Central London Congestion Charging Zone

18 Smith Square is located within the congestion charging zone.

For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car parks

Abingdon Street Car Park (off Great College Street)

Horseferry Road Car Park
Horseferry Road/Arneway Street. Visit the website at www.westminster.gov.uk/parking

