

Note of last Resources Board meeting

Title:	Resources Board
Date:	Monday 4 December 2017
Venue:	Smith Square 1&2, Ground Floor, 18 Smith Square, London, SW1P 3HZ

Attendance

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

Item Decisions and actions

1 Welcome and Apologies

The Chair welcomed Members to the Board.

Apologies were received from Cllrs. Williams and Finch. The Chair welcomed all substitutes.

Cllr. Whitham declared that he was a Member of the Commercial Advisory Board.

2 Working together to deliver a fair and effective welfare system

Rose Doran, Senior Advisor, introduced the paper, by updating Members and asking for views and steers on the Local Government Association's current and future priorities for joint working between national and local government to design and deliver a fair and effective social security system.

Rose also gave an update on the Autumn Budget (22 November 2017) in relation to social security, welfare, and the roll-out of the new Universal Credit (UC). This included national policy in relation to:

- Housing benefit (HB) and its discontinuation with Universal Credit (UC).
- The drawn out pace of UC roll-out, and the focus of the Department for Work and Pensions (DWP) on IT as a priority over policy impacts.
- The continued role of local authorities in administering HB and the shortfall in HMG funding.
- All of the above made it hard for both local authorities, and the LGA, to forward plan.

Rose directed Members to paragraph 21 – headline asks in relation to UC, and asked for a steer from Members in relation to these priorities. With this in mind, Members discussed

the following:

- It was raised by Members that UC has been a complex project.
- That the complexities fall into two distinct areas – the IT system, and the people.
- Ideas were brought forward that whilst the IT system is being heavily focused on by the DWP, local authorities could and should be focusing on the problems related to people and users, given local authorities know people are claiming welfare much better than central Whitehall departments.
- Discussions were held over the old system of HB being paid directly to landlords and the benefits of this.
- The increase in benefit fraud (the Member referenced a recent study suggesting this is costing the UK economy £200 million), what powers and influence local authorities have in tackling this, effectively aiding the DWP and offers that could be put forward to the DWP.
- Members also discussed the issues with UC, and how this crisis is centred on housing shortages.
- It was raised that families in crisis who are claiming welfare often focus solely on their most immediate crisis, and the lack of proper funding or support means that they cannot forward-plan.
- Claimants of HB and UC often find that they cannot get out of receiving it.

Members voiced concerns about the ongoing impact of the reforms on residents and suggested that it would be beneficial for the LGA to place more emphasis on the policy outcomes and impacts on vulnerable residents.

Members also discussed the vital need for a coherent message around UC, which included further devolution around benefits and skills to local authorities. Members deliberated on the fact that this lack of a clear narrative – especially around local authority fiscal devolution – had paid a part in the negative messages around UC. Members also agreed that there had been an overall lack of clarity around the delivery of UC.

Rose Doran commented on the LGA's work on skills, and gave a brief overview on the LGA's Work Local Campaign that is currently being rolled out. The Chair discussed that UC feeds into both skills and housing shortages - both of which are complex issues and at the forefront of national concern. The Chair also expressed the need to address and pull together all sides Members of the different Political Groups raised, by working alongside other Boards and creatively thinking to address the issues raised.

Decisions

The Board agreed that the LGA's headline asks in relation to Universal Credit should be amplified and increased.

Action

For Jasbir Jhas, Senior Advisor, to be invited to a future meeting to discuss the LGA Work

Local campaign.

3 Autumn Budget 2017: Implications for Local Government (paper & presentation)

This Item was presented to Members via a paper and a PowerPoint presentation, by Aivaras Statkevicius, Senior Adviser, regarding the 22 November 2017 Autumn Budget. Aivaras also stated that a Spring Statement, providing an update on the economy and associated OBR forecasts, would be delivered next year but it would not include policy announcements. Reference to the LGA on-the-day briefing was also made.

Members held discussions around the following:

- Concerns were raised by Members in relation to how many issues were left unaddressed by the Budget. This was particularly in relation to public services, social care and the NHS.
- Members noted the severe lack of funding local authorities are experiencing and lack of Whitehall action.
- Members agreed that whilst calls for more funding to local authorities are being made by the LGA, this message is not being listened to.

Decisions

The Board noted the report.

4 Local Government Finance Update

Nicola Morton, Head of Local Government Finance, introduced the paper. The report updated Members on progress of the LGA's work related to local government finance policy since the last meeting of the Board. The paper focused on:

- the Government's local government finance settlement consultation;
- business rates retention;
- the Fair Funding Review.

In relation to the local government finance settlement consultation, Members noted that whilst there had not been a date set for the release, it was speculated that this was due to be the following week (week commencing 11 December 2017). The LGA submitted its response to the technical consultation on the 2018/19 Local government Finance settlement.

Nicola also detailed that at the time of the Board, successful bids to become 2018/19 business rates retention pilots had not been announced, but were due in the coming weeks. Nicola also made reference to the cross party Member Task and Finish Group on Business Rates Retention to help take forward the LGA's work on greater business rates

retention and the Fair Funding review.

Members gave their feedback, including:

- Details relating to the 'Leicestershire model', which was discussed at the Executive Board. Some Members felt this could form the basis of future work and expansion in relation to the fair Funding review.
- Members expressed their concerns that this roll-out cannot wait until the 2020/21 financial year, and that some local authorities are facing extreme financial difficulties.
- There was a distinct agreement for the roll-out to be brought forward amongst Board Members.

Members also discussed Appendix A, and requested LGA officers amend the table to:

- Reflect that there have been no agreed parameters; and
- To review the wording for key criteria to assess.

Decision

The Board **noted** the report and **agreed** that Appendix A be amended as set out above.

5 Response to the Consultation on the Proposed Changes to the Prudential Framework of Capital Finance: Local Authorities Investment Code and Minimum Revenue Provision Guidance

Bevis Ingram, Senior Adviser, gave an overview of the paper; the LGA's response to the Consultation on the Proposed Changes to the Prudential Framework of Capital Finance: Local Authorities Investment Code and Minimum Revenue Provision Guidance. Bevis further elaborated for the board, explain that this response highlighted two areas that will affect local authority finance:

- The impact of local authorities investing in commercial property to generate income to support local services; and
- The terms of setting aside money for a council's minimum revenue provision (MRP).

The discussion was opened to the Board, who made points that investments made by local authorities were to generate income to support services that have been severely affected by budget cuts and austerity measures. There was cross-party agreement made on this point.

Decision

The Board agreed the response, subject to a small amendment calling for the lift on

housing revenue account borrowing cap.

6 Securing funding and investment currently sourced from the EU

The Item was discussed alongside **Item 3**.

The paper discussed the consultation and creation of a UK Shared Prosperity Fund (UKSPF) to replace the money local areas currently receive from the European Union, following successful lobbying by LGA. It also updated Members on the Autumn Budget and the release of the Industrial Strategy White Paper (27 November 2017).

Members then commented with the following:

- Members made reference to the issue of fiscal responsibility, and spending any money appropriately received from the UKSPF.
- The urgency for the DWP to discuss EU funding, and where this leaves local authorities post-Brexit., preferably directly with the LGA.
- A discussion was held over the need to share the UKSPF out equally, or proportionality with local authorities that need it the most.

Decision

The Board **noted** the report.

Action

Comments made by Members would be passed to Russell Reefer upon his return.

7 Workforce Update

Item seven was delivered by Jon Sutcliffe, Senior Advise, and Marj Keddy, Head of Workforce, covering the key workforce policy developments that have taken place since the Board meeting on 22 September 2017. The main business was an oral update on the current pay negotiations.

JS explained that a meeting of the National Joint Council Employers' Side had been held with on the 30 November, and that they had reached an agreement (via a vote) for a new pay offer. This includes:

- An offer over a two year period.
- From April 2018, a minimum hourly rate of £8.50 per hour.
- From April 2019, a minimum hourly rate of £9 per hour and assimilation to a new pay spine.

- The staged offer includes “bottom-loading” for a number of pay points affected by the National Living Wage and increases of 2 per cent in each year for all other points.

This offer had been passed to the Staff Side of the NJC on an informal basis, with a formal offer made by the end of the week commencing 4 December 2017. JS stressed that it was important to note that all elements of the offer except the 2 per cent increase each year had been agreed by consensus.

It was noted that in Northern Ireland, payment of any settlement would require ministerial sign-off and that there is no administration in place currently.

Members agreed that whilst this was a positive step many local authorities will certainly struggle to fund increases of this level and this will need to be monitored.

Members also discussed reports of decrease in apprenticeship start-ups. All Members agreed that this was extremely disappointing news, and enquired further regarding the government’s response and the LGA’s strategy to tackle this. Discussion was curtailed due to lack of time.

Decision

The Board **noted** the report.

Action

Jon Sutcliffe to invite LGA officer Nigel Caruthers to the next Board meeting, dependent on his availability, to give an update on apprenticeships.

8 New Local Government Mutual: Proposed Next Steps

Sally Burlington, Head of Policy, gave a brief update on the LGA’s work to develop options for a Local Government Mutual. The Founding Members currently in place were detailed in paragraph one in the Supplementary Agenda Item. Sally sought a number of different steers from Members of the Board, decisions on which are listed below. A similar paper was also being taken to Leadership Board.

Members of the Board discussed changes to the constitutional documents for the mutual and wanted to ensure that Councillors’ roles are properly understood, and that appropriate support and training is provided for the Board of Directors.

Decision

- The Board **agreed** with option 8.3 and the use of a Skills Matrix; but it was stressed that this should reflect that the representative role of elected Members is important in its own right, as well as any regulatory and other legal requirements.
- The Board was **agreed** with the constitutional documents but asked that use of the term ‘Members’ should be clarified as there was some confusion. The Board was

content that weighted voting arrangements should be developed

- Members expressed a preference for the title LG Mutual.
- Members were content that the LGA should incorporate the mutual company on behalf of the founding Members.

9 Minutes of the previous meeting

Minutes of the previous meeting were agreed.

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 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 Roger Phillips	Herefordshire Council
	Cllr Byron Rhodes	Leicestershire County Council
	Cllr Andrew Leadbetter	Exeter City Council
	Cllr Rishi Shori	Bury Metropolitan Borough Council
	Cllr Sharon Taylor OBE	Stevenage Borough Council
	Cllr Sian Timoney	Luton Borough Council
	Cllr Peter Marland	Milton Keynes Council
	Adam Paynter	Cornwall Council
	Amanda Serjeant	Chesterfield Borough Council
Apologies	Cllr David Williams	Hertfordshire County Council
	Cllr David Finch	Essex County Council
	Cllr Tom Beattie	Corby Borough Council
	Cllr Sarah Hayward	Camden Council
	Cllr Claire Hudson	Mendip District Council
LGA Officers	Sarah Pickup	Deputy Chief Executive
	Sally Burlington	Head of Policy
	James Alexander	Lead Adviser – Local Government Mutual
	Nicola Morton	Head of Programmes - LG Finance
	Bevis Ingram	Senior Adviser - LG Finance
	Aivaras Statkevicius	Senior Adviser
	Rose Doran	Senior Adviser
	Marj Keddy	Head of Workforce
	Jon Sutcliffe	Senior Adviser (Workforce Policy & Strategy)



Resources Board

22 January 2018

Benn Cain

Member Services Officer