

Resources Board – report from Cllr Richard Watts (Chair)

Further Business Rates Retention and the Fair Funding Review

1. The LGA submitted [evidence](#) to the Treasury Committee [inquiry on the impact of business rates on business](#). Following our written evidence, I gave oral evidence on 4 June, in my role as Chair of Resource Board.
2. The officer-led LGA/MHCLG Business Rates Retention Steering Group and the System Design Working Group have reconvened. All papers for the meetings are available online [on our business rates retention hub](#).

2019 Spending Review

3. We have continued our engagement with the Government and the sector ahead of the Spending Review. The LGA Chairman wrote to the Chancellor ahead of the 2019 Spring Statement, offering for the LGA to work more closely with the Treasury to build the Spending Review case for local government. Together with MHCLG, we have continued to host a series of officer roundtables to support and influence Government's future decision making on funding for the sector.
4. The Housing, Communities and Local Government Committee (HCLC) announced an [inquiry into local government finance and the 2019 Spending Review](#) which will consider how effective the existing funding set-up is in providing resources to meet the need and demand for local services now and in the future. [Our evidence](#) has been published by the Committee in May, and we also gave oral evidence on 4 June.
5. We provided a briefing for the [Parliamentary debate](#) on District Council Finances which took place on 1 May. The debate covered the pressures facing key district services and the overall funding gap facing local government. There was praise for our ongoing work to highlight the pressures all authorities are facing, including the uncertainty councils face beyond April 2020, and the importance of the Spending Review.
6. We hosted a [Smith Square Debate](#) on the Spending Review 2019: the importance of delivering for communities. The high profile panel included the Chief Secretary to the Treasury Liz Truss, the Shadow Minister for the Treasury Anneliese Dodds, Baroness Pinnock, Lord Adebowale, and was chaired by writer, journalist and broadcaster Samira Ahmed. With growing public consensus on the need to address the rising demand for key statutory council services, this debate was an opportunity to highlight the importance of the Spending Review for local government amongst national and local politicians.
7. In March I was interviewed on [Huffington Post](#), stressing that the number of people directly employed by local government has fallen by almost a third in 10 years and [Express Online](#), giving evidence that councils had lost 60p out of every £1 the Government had provided for services since 2010, meaning many of them had little choice but to ask residents to pay more council tax this year in order to protect their local services. I also featured in the [i paper](#), [Mail Online](#), [LBC Online](#), [BBC Online](#),

Channel 5 News and the Telegraph, warning that council tax rises will not plug the social care funding gap that is currently affecting local government.

8. In April and May I was interviewed by [BBC Online](#) and [Mail Online](#), responding to a report by Citizens Advice on council tax debt. Our lines around council tax increases in 2019/20 received coverage in the [Guardian](#), [Financial Times](#), [Times](#), [Sun](#), [Mail](#), [Express Online](#), [Mirror](#), [BBC Online](#), BBC Radio 2 and Star. I was also interviewed by LBC about funding for homelessness in response to the St Mungo's report which found that councils are spending almost £1 billion less each year on homelessness compared to a decade ago. I featured in ITV News and BBC Radio 5 Live, stressing our [response](#) to the Annual Local Authority Road Maintenance survey which found that the number of potholes repaired by councils in England and Wales rose by more than a fifth last year, to 1.86 million.

Consultation response on proposed CIPFA Financial Management Code

9. We [responded](#) to CIPFA's [consultation](#) on a new Financial Management Code for local government which CIPFA believes will support good practice in financial management and assist local authorities in demonstrating their financial sustainability. We welcomed the code as an additional tool for councils but believe it should be viewed as guiding principles and should not prescribe what councils have to do.

NAO consultation on new Code of Audit Practice from 2020

10. We submitted a response to the National Audit Office (NAO) [consultation](#) on the New Code of Audit Practice. This first stage consultation seeks to identify high level issues for the review and the second stage, to be conducted later in the year, will look at the actual draft text for the new code. The new code will be laid before Parliament in time for it to come into force no later than 1 April 2020.

Local Government Mutual

11. We recently sent details to council leaders, chief executives and finance directors of a new alternative to traditional insurance services. The Local Government Mutual, which is now open for business has been established by 14 councils, along with the LGA. You can find out more at www.lgmutual.co.uk or contact James Alexander at james.alexander@lgmutual.co.uk. We also hosted an event on 4 June which provided an update on the total cost of risk, claims and how to apply to join the Mutual.

Workforce

12. Using various data sources and an online consultation, the team has now published [Workforce Focus](#). The primary aim of this document is to help senior HR professionals and their teams to develop local action plans for workforce improvement by providing facts and ideas.

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EU Funding and the UKSPF

13. The LGA continues to lobby for current EU funding to be spent locally and for the UK Shared Prosperity Fund to be a localised, place based fund as part of the LGA's wider preparedness work for the UK's exit from the EU.

Media round-up

14. Since the last Forum, I have given comments in the following press releases and news articles on behalf of the Board on the following:

- [Council tax will fail to protect adult social care services this year](#)
- [LGA responds to IFS report on local taxation](#)
- [LGA responds to public health duty to tackle serious violence](#)
- [Local Government Mutual opens for business](#)
- [English councils warned about 'exhausting' reserve cash](#)

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