

18 July 2019

Resources Board – report from Cllr Richard Watts (Chair)

Local Government Finance

2019 Spending Review

1. We have continued our engagement with the Government and the sector ahead of the 2019 Spending Review. 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.
2. 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. Following the publication of [our evidence](#) and [oral evidence](#) earlier in June the Minister for Local Government, Rishi Sunak MP, also gave [evidence](#) to the Committee on 18 June
3. The Spending Review and other current local government finance matters were the topic of a plenary session at the LGA annual conference in July. Speakers included Catherine Frances, Director General Local Government and Public Services at MHCLG and Alex Skinner Director, Local Government Finance at MHCLG as well as myself and Cllr John Fuller Vice-Chairman of the Resources Board.
4. We used [the publication](#) launched at LGA's annual conference to set the scene for our Spending Review submission later in the year, building on the 2019 Spending Review [#CouncilsCan campaign](#).

Further Business Rates Retention and the Fair Funding Review

5. The officer-led LGA/MHCLG working groups on business rates retention System Design and the Technical Working Group on Needs and Redistribution both met in June. All papers for the meetings are available online [on our business rates retention hub](#).

National Non-Domestic Rates (Lists) Bill

6. This Bill, currently in Parliament, sets the date for the next business rates revaluation at April 2021 and then every three years following that. On 25 June I gave [evidence](#) at a Bill Committee on behalf of the LGA. I particularly highlighted the issue of the draft lists being published three months as opposed to six months before the new list comes into force and the possible effect on the local government finance settlement.

Ernst and Young Audit issue

7. Resources Board discussed an issue that has arisen with the audit of 19 councils in the East of England and the East Midlands that are audited by Ernst and Young. On the Board's behalf I have written to Public Sector Audit and Appointments (PSAA) and the Minister for Local Government to raise concerns with the delay.

18 July 2019

8. Subsequently, at the LGA annual conference, the Secretary of State announced a review of the audit framework.

Workforce

Response to consultation on public sector exit payments

9. The LGA response to the consultation on exit payments, often known as the “£95, 000 cap” has been submitted. LGA members have different views of the conceptual merits of the proposals but the focus in the response is to consider the likely consequences of the provisions set out and, where possible, to suggest alternatives to minimise cost and disruption to local government employers and employees once the policy is implemented.
10. The response (**Appendix A**) makes it absolutely clear that we have very serious concerns regarding the consequences of implementing this policy as set out in the consultation documents. We believe the employees in scope to have their exit payments capped are much lower earning than the consultation suggests; that, as drafted, these regulations present a range of potential legal risks that could increase costs to employers that have not been considered; that there are a number of changes to other legislation - most notably the regulations governing the Local Government Pension Scheme - that are required before these regulations can reasonably be applied; and, that the processes outlined to secure exemptions to the cap are overly bureaucratic and challenge the capacity of local government to make decisions in the interests of local taxpayers.

Apprenticeships - Launch of Second Phase of Accelerator Programme

11. In May 2019, the LGA launched a second phase of the Apprenticeships Accelerator Programme (AAP). The support offer is funded by a grant from the Education and Skills Funding Agency and is designed to help councils increase apprenticeship starts by providing workforce development support to local authorities and improving senior leadership buy-in.
12. Phase 1 of AAP ran from September 2018 to May 2019 and supported 22 projects covering 37 councils. Most projects were supporting individual councils with their own programmes, but we also supported a collaborative project on social care with the twelve authorities in the North East and a further collaborative project looking at analysis of existing apprenticeship provision, workforce data, and vacancy data to identify apprenticeship opportunities and opportunities for collaboration with the six authorities in Liverpool City Region.
13. Following a positive evaluation carried out by Shared Intelligence, we secured agreement to launch a second phase of the programme, with the goal of supporting 40 local authorities to develop or refresh their apprenticeship plans, carry out workforce data analysis, help map apprenticeship standards to job roles and develop career pathways using apprenticeships as appropriate.

Social Work Health Check

14. The Workforce team have launched the Adult Social Work Health Check report which presents a snap shot of continuous improvement locally, regionally and nationally. The

18 July 2019

findings also enable the identification of trends, which can help to shape and inform priorities for social work at all levels.

EU Funding and Successor Arrangements

15. As a result of discussions at the February Resources Board meeting with the Director of European Programmes, members successfully influenced the design of the reserve fund for the European Regional Development Fund, which was agreed at the June Growth Programme Board . It now includes opportunities for local areas to manage economic shocks and Government recognises the need for the Reserve Fund to transition to UKSPF and other growth funding.
16. 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.

Contact officer: Benn Cain
Position: Member Services Officer
Phone no: 020 7072 7420
Email: benn.cain@local.gov.uk