

Item 3

Work Programme

Purpose of report

For discussion and direction.

Summary

This paper suggests priorities for the Finance Panel for the coming year.

Recommendation

Members' are asked for comments on the priorities for 2012/13.

Action

LGA Officers to proceed as directed.

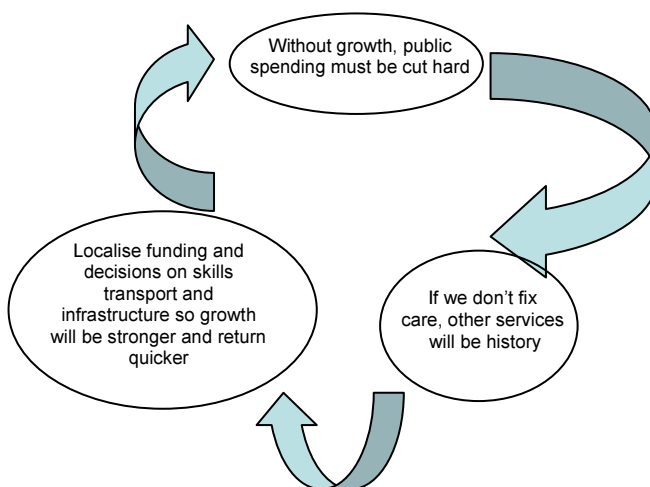
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Work Programme

Background

1. While leaving itself space to respond to events, the Panel will wish to identify the priorities for its work programme for the coming year. Those priorities might reflect the LGA's overall priorities.
2. The LGA's overarching campaigning narrative is anchored in the need to tackle the country's economic and fiscal problems. Councils need to manage within an overall resource envelope that will probably continue shrinking for the rest of the decade; that requires reform of the way we do things, including in particular reform of social care funding and the kind of place-based integration of services being developed by the community budget pilots; but it also requires councils to play the fullest possible part in stimulating economic recovery that will put the public finances on a sound footing again, which means campaigning for further devolution of control over economic levers and greater freedoms to invest in infrastructure and housing.



3. Against that background, the key priorities we would recommend to the Panel are these:
 - 3.1. continuing the LGA's work on the **future funding of councils**, including further developing our understanding of the revenue and spending outlook and the cost pressures councils face, with an eye to influencing future government spending plans;
 - 3.2. monitoring the implementation of the new localised **business rate system**, including keeping an eye on the increased risks councils face and how they manage them;

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- 3.3. seeking to influence the government's **welfare reform** policies, including in particular Universal Credit, localisation of council tax support, and localisation of the social fund, developing an understanding of their impact on local communities, tenants and councils, and supporting councils in managing the changes and the risks they create;
 - 3.4. working with other boards, campaigning for councils to have greater freedom to finance future investment **in infrastructure and housing** and contribute to growth.
4. The Panel may also wish to keep a watching brief on a number of issues with finance implications where lead responsibility rests with other LGA boards, in particular:
- 4.1. schools funding;
 - 4.2. public health funding;
 - 4.3. social care funding reform;
 - 4.4. housing finance.
5. One further issue members may wish to consider is the funding settlement between the countries of the United Kingdom. The LGA's 2012-13 business plan committed us to work on a fairer mechanism for distributing public expenditure within the Union, although the Panel's predecessors decided not to actively pursue this work. The Panel may wish to confirm whether it still wishes to take that approach to this question.