

## **Finance Panel Membership, Priorities and Work Programme for 2013/14**

### **Purpose**

For discussion and agreement.

### **Summary**

This report sets out proposals for the Panel's priorities and key areas of work for the 2013/14 year, set against the available resources. The Panel's Membership for 2013-14 is attached at **Appendix A** for noting.

### **Recommendation**

That the Panel agree its priorities and work programme for the 2013/14 meeting cycle.

### **Action**

Over the course of the next year officers to progress the Board's agreed priorities and projects in line with available resources.

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## **Priorities and Work Programme for 2013/14**

### **Background**

1. The LGA's policy Boards and Finance Panel seek to lead the agenda for local government on the key challenges and issues within their remit and support the overall objectives of the organisation as set out in the LGA's Business Plan.
2. They take an active role in helping to shape the Association's business plan through extensive engagement with councils and oversight of the programmes of work that deliver these strategic priorities.
3. The business plan and Boards and Panel's work programmes are underpinned by the LGA budget, which allocates resources to enable the Association to deliver the priorities in the business plan. In light of further reduction to the LGA budget and resources in 2013/14 and beyond, it is important that each Board's work programme is focused on a defined set of priorities on which they can deliver significant impact and demonstrate value to councils.

### **Priorities for local government**

4. The LGA's Business Plan for 2013/14, (which is available at [http://www.local.gov.uk/c/document\\_library/get\\_file?uuid=e2f772ff-1c5e-4ed5-a35c-20a3d57b97e5&groupId=10171](http://www.local.gov.uk/c/document_library/get_file?uuid=e2f772ff-1c5e-4ed5-a35c-20a3d57b97e5&groupId=10171)) sets out priorities for the organisation which are based on those issues that that matter most to our membership. For 2013/14 the three top priorities for local government are:
  - 4.1.1 **Funding for local government** – reform of the finance system so councils have confidence their financing is sustainable and fair, the opportunities to raise more funds locally, and greater ability to promote collective working across local public services.
  - 4.1.2 **Economic growth, jobs and prosperity** – councils are recognised as central to economic growth.
  - 4.1.3 **Public service reform** – independent councils are at the centre, and seen to be at the centre, of public service reform, delivering more effective services for local people and holding other providers to account.
5. These three priorities are supported and underpinned by the *Rewiring Public Services* campaign, which seeks to rejuvenate democracy, transform public services and boost economic growth. The campaign expands on how these priorities can be achieved through ten big ideas which are:
  - 5.1.1 **Give people a meaningful vote on local tax and spending issues.** A local treasury in every place.
  - 5.1.2 **Cut red tape.** Bring local services and decision together in one place.
  - 5.1.3 **Reduce bureaucracy and Whitehall silos.** Merge six government departments and creating an England Office.

- 5.1.4 **Share money fairly around the UK.** Replace the Barnett formula with a new needs-based funding model.
- 5.1.5 **Take financial distribution out of the hands of Ministers hands.** Replace it with agreement across English local government.
- 5.1.6 **Strengthen local say.** Reduce Ministers' powers to intervene in local decisions.
- 5.1.7 **End flawed tick-box inspections by bureaucrats.** Create local service user champions.
- 5.1.8 **Boost investment in infrastructure.** Create a thriving market in municipal bonds.
- 5.1.9 **A multi-year funding settlement** tied to the life of the Parliament.
- 5.1.10 **Protect local democracy.** Give the local government settlement formal constitutional protection.

6. The full publication being available to downloaded from the LGA website:

[http://www.local.gov.uk/web/guest/publications/-/journal\\_content/56/10171/4047947/PUBLICATION-TEMPLATE](http://www.local.gov.uk/web/guest/publications/-/journal_content/56/10171/4047947/PUBLICATION-TEMPLATE)

### **Panel 2013/14 Work Programme and Resources**

7. Based on the Business Plan priorities and *Rewiring Public Services* principles, this paper suggests the Panel's work programme for the coming year be focused on the following priorities and projects:

#### **A fair settlement for local government**

- 7.1 The Future Funding Outlook model to be refreshed for 2014 to reflect Government announcements and changing economic conditions since the 2013 iteration to set out the true impact of on-going austerity and growth pressure on local government.
- 7.2 Submissions to the 2013 Autumn Statement (see item 3 on this agenda) and the Chancellor's Budget (March 2014) to influence Government decision making.
- 7.3 Responding to the 2014/15 Settlement announcement (November/December 2013) and publicising the impact of Government announcement on authorities across the country.

#### **Rewiring public services**

- 7.4 Developing the principles of the *Rewiring Public Services* document as they relate to local government finance including:
  - 7.4.1 Developing an action plan and detailed proposals for the concept of the local treasury.
  - 7.4.2 Presenting and gaining support for an alternative to the Barnett Formula.

- 7.4.3 Developing proofs of concept and underlying support for improved financial distribution arrangements, replacing financial distribution by Ministers with agreement across local government.
- 7.4.4 Developing methodology for new budget arrangements linking to the life of the Parliament.
- 7.4.5 Other *Rewiring Public Services* activities that emerge following national and local debate.

#### **Independent local taxation**

- 7.5 Review of the first year of Business Rates Retention, identifying areas where the system should be improved and resultant lobbying.
- 7.6 Lobbying on reform of current Council Tax arrangements including a review of the first year of the Council Tax Support scheme.

#### **Sustainable funding for service delivery and investment**

- 7.7 Ensure that on-going reviews of adult social care funding and education funding reflect the LGA's values and agenda.
- 7.8 Lobby for new burdens funding for welfare reform, the Care Bill and other significant issues of Government reform increasing costs to local authorities.
- 7.9 New forms of finance, including options for releasing value from local government balance sheets for investment, (such as including reform of Housing Revenue Account borrowing limits) and financing service delivery (such as Social Impact Bonds).

#### **Welfare reform**

- 7.10 Ensure that councils have a central role in the design, delivery and implementation of Universal Credit, including work on skills, work readiness and employment.
  - 7.11 Ensure that councils are supported with local implementation and managing the wider impacts of welfare reform.
  - 7.12 Work to understand and manage the implications for the housing market; continue to press for greater freedom and flexibility for councils to address the undersupply of appropriate, affordable housing (shared with the Environment and Housing Board).
8. We currently believe that the above projects can be delivered within the available resources. However, the work programme will be constrained by the overall resource envelope of the LGA, which may have implications for the scale and timing of the work to be delivered should unforeseen reactive work be required or new priorities arise during the year.

#### **Next Steps**

- 9. Members are asked to discuss the suggested priorities and projects set out at paragraph 7 and agree a final work programme for the year.