



Government
Association

Resources Board

Agenda

Thursday, 22 June 2017
11.00 am

Rooms A&B, Ground Floor, Layden House,
76-86 Turnmill Street, London, EC1M 5LG

Guidance notes for members and visitors Layden House, 76-86 Turnmill Street, London, EC1M 5LG

Please read these notes for your own safety and that of all visitors, staff and tenants.

Welcome!

Layden House is located directly opposite the Turnmill Street entrance to Farringdon station, which is served by the Circle, Hammersmith & City, and Metropolitan lines as well as the Thameslink national rail route.

Security

Layden House has a swipe card access system meaning that a swipe enabled security passes will be required to access the lifts and floors 1-5.

Most LGA governance structure meetings will take place on the **ground floor** of Layden House which is open access and therefore does not require a swipe enabled security pass. **Access** to the rest of the building (floors 1-5) is via swipe enabled security passes.

When you visit Layden House, **please show your Local Government House security pass to reception** and they will provide you with a temporary pass which will allow you access to floors 1-5 if required. **Please don't forget to sign out at reception and return your security pass when you depart.**

If you do not have a LGH Security Pass, please email [member services](#) with your name and a recent photo and a pass will be made for you. You can pick this up from the Layden House reception desk on your next visit.

Fire instructions

In the event of the fire alarm sounding, vacate the building immediately via the nearest fire exit onto Turnmill Street and take the next turning on your left – Benjamin Street to St John's Gardens.
DO NOT USE THE LIFTS.
DO NOT STOP TO COLLECT PERSONAL BELONGINGS.
DO NOT RE-ENTER BUILDING UNTIL AUTHORISED TO DO SO.

Soft Seating Area

There is a small soft seating area on Floor 2 which will also operate as an 'Open Council' area for visiting members and officers from member councils. Please note however that unlike Open Council, this area does not have tea and coffee facilities, nor access to computers.

Toilets

There are accessible toilets on the Ground Floor, 2nd and 4th floors.

Accessibility

If you have special access needs, please let the meeting contact know in advance and we will do our best to make suitable arrangements to meet your requirements.

Parking is available at the rear of the building for Blue Badge holders, accessed via the Turks Head Yard, North underpass. Disabled WCs are situated on the ground and 4th floors. An induction loop system is available in the 5th floor conference venue. For further information please contact the Facilities Management Helpdesk on 020 7664 3015.

Guest WiFi in Layden House

WiFi is available in Layden House for visitors. It can be accessed by enabling “Wireless Network Connection” on your computer and connecting to LGA-Free-WiFi. You will then need to register, either by completing a form or through your Facebook or Twitter account (if you have one). You only need to register the first time you log on.

Further help

Please speak either to staff at the main reception on the ground floor, if you require any further help or information. You can find the LGA website at www.local.gov.uk

Why have the LGA’s Headquarters moved?

The LGA has temporarily relocated from Local Government House (LGH) in Smith Square to Layden House in Farringdon, effective from Monday 31 October 2016. This is to allow extensive refurbishment work to be carried out to LGH.

The refurbishment works will see the ground floor conference centre and all meeting rooms fully refurbished. Floors 1, 2 and 3 will be upgraded and released for commercial letting to enable the LGA to maximise the income from this building as part of its drive for financial sustainability. A new and larger Open Council will be located on the seventh floor. The refurbishment is expected to last for nine months and we expect to be back in LGH by September 2017.

We appreciate your understanding and flexibility during this time.

Resources Board
22 June 2017

There will be a meeting of the Resources Board at **11.00 am on Thursday, 22 June 2017** Rooms A&B, Ground Floor, Layden House, 76-86 Turnmill Street, London, EC1M 5LG.

A sandwich lunch will be available following the meeting.

Attendance Sheet:

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Political Group meetings:

The group meetings will take place in advance of the meeting. Please contact your political group as outlined below for further details.

Apologies:

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3334	email: Labour.GroupLGA@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.grouplga@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

A map showing the location of Layden House is printed on the back cover.

LGA Contact:

Paul Goodchild
0207 664 3005 / paul.goodchild@local.gov.uk

Carers' Allowance

As part of the LGA Members' Allowances Scheme a Carer's Allowance of up to £7.50 per hour is available to cover the cost of dependants (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

Resources Board – Membership 2016/2017

Councillor	Authority
Conservative (7)	
Cllr John Fuller (Vice Chairman)	South Norfolk District Council
Cllr Nigel Ashton	North Somerset Council
Cllr James Jamieson	Central Bedfordshire Council
Cllr Lynne Duffy	Wychavon District Council
Cllr Barry Macleod-Cullinane	Harrow Council
Cllr Roger Phillips	Herefordshire Council
Cllr David Renard	Swindon Borough Council
Substitutes	
Cllr Andrew Leadbetter	Exeter City Council
Cllr Judith Oliver	North Norfolk District Council
Labour (7)	
Cllr Claire Kober OBE (Chair)	Haringey Council
Cllr Rishi Shori	Bury Metropolitan Borough Council
Cllr Aaron Shotton	Flintshire County Council
Cllr Sian Timoney	Luton Borough Council
Cllr Tom Beattie	Corby Borough Council
Cllr Sarah Hayward	Camden Council
Cllr Peter Marland	Milton Keynes Council
Substitutes	
Cllr Norman Keats	Knowsley Metropolitan Borough Council
Cllr Abdul Jabbar	Oldham Metropolitan Borough Council
Cllr Christopher Massey	Redcar & Cleveland Borough Council
Independent (2)	
Cllr Clarence Barrett (Deputy Chair)	Havering London Borough Council
Cllr Linda Van den Hende	Havering London Borough Council
Substitutes	
Cllr Bob Dutton OBE	Wrexham County Borough Council
Cllr Alan Walters	Rutland County Council
Cllr Mike Eathorne-Gibbons	Cornwall Council
Liberal Democrat (2)	
Cllr Claire Hudson (Deputy Chair)	Mendip District Council
Cllr Simon Shaw	Sefton Metropolitan Borough Council
Substitutes	
Cllr David Brown	Borough of Poole

Agenda

Resources Board

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Item	Page
1. Apologies and Declarations of Interest	
2. Action on Low Pay	1 - 6
3. The Conservative Party's Manifesto Pledges Related to the Work of the Board	7 - 14
4. Local Government Finance Update	15 - 18
5. Workforce Update	19 - 22
6. Minutes of the previous meeting	23 - 30
PART 2 - CONFIDENTIAL	
7. Report of the Commercial Advisory Board	31 - 38
8. Future of Funding Currently Sourced from the EU	39 - 40
a) Appendix A - Beyond Brexit	41 - 63

Date of Next Meeting: Friday, 22 September 2017, 11.00 am, Smith Square 3&4, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ



Resources Board

22 June 2017

Action on Low Pay

Purpose

For discussion.

Summary

The Board will receive a presentation from the West Yorkshire Combined Authority on its Low Pay Charter. Cllr James Lewis, Deputy Leader of Leeds Council, will attend the Board meeting to present the West Yorkshire Low Pay Charter proposals, including addressing the points made in the motion to the LGA.

It was agreed by the LGA Executive in June 2016 that the motion be discussed at a future meeting of the Resources Board.

Recommendation

That the Board considers the presentation from representatives and decides further action.

Action

Officers to progress in line with members' directions.

Contact officer: Jon Sutcliffe

Position: Senior Adviser (Workforce Policy & Strategy)

Phone no: 020 7187 7320

Email: jon.sutcliffe@local.gov.uk

Background

1. The full Low Pay Charter produced by the West Yorkshire Combined Authority can be found [here](#). For ease the main points of its motion to the LGA are summarised here:

“Local authorities should lead by example when it comes to tackling the problems of low pay in their areas. For this reason, the councils of the West Yorkshire and York Combined Authority developed the “West Yorkshire Low Pay Charter – No Silver Bullet”. The LGA is asked to support the West Yorkshire Authorities and York in their efforts to tackle low pay in their organisations and give consideration to adopting the charter in their Authorities.” The recommendations of the Charter are:

- 1.1 *Review existing pension information to make the case for membership from a low pay perspective and proactively target communication at lower paid workers to drive up-take.*
 - 1.2 *Commit to proactively communicating the positive relationship between skills and opportunity; and to ensuring that lower paid staff are supported to reach their potential through implementation of a strategy for inclusive personal and professional development.*
 - 1.3 *Proof all HR policies for their impact on lower paid workers, with particular focus on progression and reducing institutional barriers such as constrained career structures.*
 - 1.4 *Deliver excellent management and leadership practices as standard across the organisation, with specific focus on equipping those who manage lower paid workers with the skills and systems they need.*
 - 1.5 *Agree to the principle of investing in and promoting a responsive employee benefits package that is accessible and communicated to target groups consistently, frequently and through the right channels, and that complements the approach in individual Districts to directly support lower paid workers to stretch their take-home pay.*
 - 1.6 *Collaborate across the area to streamline health and wellbeing activities, learn from good practice and target lower paid workers to increase participation.*
 - 1.7 *Apply Social Value policy, prioritising in the first instance those commissioned services where low pay prevails; and work collaboratively to influence others to do the same.*
 - 1.8 *Guard against inappropriate use of zero hours contracts and protect casual workers from effects of low pay, concentrating on our own workforces and commissioned services.*
 - 1.9 *Use local authority influence and local leadership to tackle low pay across the WYCA area in pursuit of a ‘good growth’ agenda.*
2. The motion covers a range of issues and this report does not attempt to address them all, as there is an expectation that representatives from WYCA will provide the context. However it is worth highlighting a few issues to inform the discussion.

Pay

3. The introduction of the National Living Wage (NLW) was announced by George Osborne in his July 2015 Budget. He indicated that its target level was to reach 60% of median hourly earnings by 2020. At the time of the announcement the forecast for 2020 was £9.35 per hour and in his speech he referred to it being “at least £9”. It applies to workers aged 25 and over, with the relevant National Minimum Wage (NMW) rate continuing to apply for those aged below 25.
4. It should be noted that when the NLW was introduced in April 2016 many employers chose to not make this age-related distinction in their pay arrangements and early consultation with councils through regional pay briefings in 2015 indicated near unanimous support for not applying any such distinction in the National Joint Council (NJC) pay spine.
5. The use of the term ‘living wage’ in itself caused considerable confusion when Mr. Osborne made his commitment in the 2015 Budget. The concept of a ‘living wage’ has been around for many years, but first started to gain traction, largely in London, in the early 2000s. In simple terms it was based on the recognition/principle that the NMW was set at an insufficient level to ‘live’ rather than ‘exist’, particularly in a London context. The London Living Wage as a voluntary measure was championed by successive London Mayors and through the Living Wage Foundation expanded to involve the creation of a separate national rate. Those rates are currently £9.75 (London) and £8.45 (national).
6. The LGA’s Workforce team has tracked the take-up of the voluntary living wage in councils (England, Wales and Northern Ireland) over the last 5 years. Initially, this period saw a steady increase in take-up from 35 (including 25 in London) in 2012 to 175 in 2015. It was noticeable that between 2015 and 2016 the number of councils applying it fell back to 155. Most of the reduction was based on councils choosing to not apply the annual increase announced in November 2015. For some, this could have been simply down to affordability, but there was anecdotal evidence that many councils were pausing to see the direction/level of the new statutory rate.
7. The Living Wage Foundation also accredits organisations that use its Living Wage. The key requirement for accreditation is to spread the living wage beyond the workforce and into procurement and the supply chain. It does not require all contractual arrangements to include the Living Wage, but does require a commitment to do this as contracts come up for renewal. For many councils this is where the big costs of implementation do (or would) occur.
8. In terms of the directly employed workforce about 83,000 (Full Time Equivalent) employees covered by the National Joint Council (NJC) would still be paid below the NLW in 2020 should it be at £9 an hour and 1% pay awards continue to be the norm. This is about 16% of the FTE workforce and will be a far bigger proportion of headcount. It should be noted that these figures exclude school based employees, where less complete data is available. However our expectation is that the proportion of the school support staff on whom the NLW will have a direct impact will be even greater.

9. The 2016-18 pay deal included a commitment for the NJC to review its pay spine. There was overwhelming support among councils for restructuring the national pay spine in order to meet the '2020 challenge'. That review is underway and more detail on it is provided in the Workforce Update report (see item 5) on the agenda.

Pensions

10. We are not aware of any evidence that would indicate that there is a significant lower take up of the Local Government Pension Scheme (LGPS) by lower paid workers. The average take up of the LGPS will vary from region to region but on average is in excess of 80%. With the advent of automatic enrolment this is expected to increase as local authority workers earning more than £10,000 will be re-enrolled into the LGPS every 3 years if they opt out of the scheme. All local authority staff are contractually enrolled into the LGPS when they start employment if they have a contract for three months or more.
11. In addition to the above, the 50/50 section of the scheme was introduced from April 2014 to help lower paid members who were struggling financially to stay in the scheme and to continue to build up valuable benefits. It allows members to pay half the normal contribution rate and build up half the normal pension whilst retaining full life and ill-health cover. The take up of the 50/50 section has not been as high as we would have expected, so the Scheme Advisory Board (SAB) for England and Wales is currently surveying employees to try to establish the reason for this. Early results from the survey indicate that around 60% of employees are unaware that the 50/50 provisions exists so it would appear that there is some communication work to be done in this area.

Procurement

12. **Social Value** – councils are required to consider whether there is scope for any additional social value for all services contracts over £160,000 by the Public Services (Social Value) Act 2012. Social Value policies are in place in most councils and anecdotal evidence is that councils are implementing the Act really well. The LGA would look to Birmingham, the Association of Greater Manchester Authorities, Halton, Durham, Liverpool and Bristol as examples of best practice.
13. The Act requires public authorities to have regard to economic, social and environmental well-being in connection with public services contracts. So issues of low pay and zero hours contracts are definitely in scope and would align with individual council's approach to accreditation as Living Wage Foundation organisations. Birmingham has a business charter for social responsibility which includes issues of low pay and zero hours. Suppliers have to sign up to the charter to be considered for work through procurement [See link here](#)

Good HR practice

14. The motion outlines commitments that councils as employers should make to review policy and practice in training and development and quality of management. The motion also recommends a thorough review of HR policies. All of these reviews should focus on the needs and interests of the lowest paid.

15. It is worth noting that whilst not perhaps specifically focused on the low paid, many councils have conducted or are conducting reviews of policy in the areas mentioned and will be addressing issues of fairness, as well as equality, engagement and productivity as part of the planning and evaluation of reviews. The LGA continues to provide advice and support to councils collectively and individually on broad based strategic workforce development, as well as specific tools to help address issues that may make people reluctant to join or stay in the workforce
16. One example is the Timewise Council Programme, assisting councils who are keen to find ways of increasing the efficiency of their workforce, and help attract and retain talent. One of the key tools to help employers with these challenges is flexible working. Increasing the opportunities for flexible working in the existing workforce, and offering it to new recruits, can help address some of today's key public sector challenges such as:
 - 16.1 attracting the best talent, particularly in difficult to attract professional roles
 - 16.2 improving productivity and motivation of your current employees
 - 16.3 addressing your diversity and inclusion needs
 - 16.4 making best use of modern technology to give people more control over how, when and where they work; and
 - 16.5 creating a more agile and adaptable workforce.
17. Timewise also works with public sector organisations who are interested in developing and growing jobs in their community. Stimulating the local market to create more flexible and part time roles can help:
 - 17.1 unblock career progression for low paid workers
 - 17.2 tackle local labour market inequalities
 - 17.3 deliver on economic regeneration priorities, such as inclusive growth.
18. The programme is designed to help put in place an improvement plan, based on local workforce challenges, and to equip HR teams with the specialist expertise to deliver it. As an example, Timewise demonstrates the importance of having an approach to workforce engagement that tackle a range of challenges including low pay.

Implications for Wales

19. There are no specific implications for Wales; support to Welsh authorities is provided by the workforce team at the LGA as necessary, working with WLGA.

Financial Implications

20. There are no financial implications for the LGA implied in the content above.

The Conservative Party's Manifesto Pledges Related to the Work of the Board

Purpose

For information, discussion and direction.

Summary

This paper focusses on pre-election manifesto pledges of the Conservative Party that are related to the remit of the Board, with an assessment of what they mean for the LGA's policy work programme. The manifesto of the Democratic Unionist Party (DUP) did not include any pledges directly referring to English and Welsh local government. However, their manifesto includes several pledges on Brexit and on funding for Northern Ireland.

Please note that this is a very early analysis after the General Election and may have been overtaken by events by the time the Board meets on 22 June.

Recommendation

That the members of the Board consider the initial assessment of the pledges and offer views on the policy positions the LGA should adopt in its work with the new Government.

Action

Officers to proceed as directed.

Contact officer: Sarah Pickup
Position: Deputy Chief Executive
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The Conservative Party's Manifesto Pledges Related to the Work of the Board

Background

1. The 2017 General Election took place on 8 June. The Conservative Party won the most seats but did not win enough for an overall majority. Following the election the Prime Minister, Theresa May, announced that the Conservative Party would form a Government working with the DUP with a 'confidence and supply' arrangement. Sajid Javid will continue as Secretary of State for Communities and Local Government.
2. The LGA is in the process of preparing a work programme for engaging the new Government. To that end, officers have summarised the contents of the Conservative Party's pre-election manifesto and provided some initial commentary on the implications for local government and the LGA's work below. Officers have also produced a series of documents outlining the key commitments of interest to councils in all the party manifestos. These are grouped by policy areas, including local government finance and welfare.¹
3. Members are invited to offer views on the pledges and the potential policy positions the LGA could take when working with the Government as it seeks to implement these commitments.
4. The list below focusses specifically on commitments about the local government finance system, welfare reform, workforce matters and EU funding, rather than pledges and policies that are not within the remit of the Board. It is clear that many other manifesto commitments are likely to have a financial impact on local government and the Board will be involved in reviewing the financial aspects of such policies as and when they arise.

Local Government Finance

5. In its manifesto, the Conservative Party pledged to:
 - 5.1. *'Continue to give local government greater control over the money they raise and address concerns about the fairness of current funding distributions.'*

This potentially hints at the continuation of both business rates retention reforms and the fair funding review in England, but neither of the policies are mentioned explicitly. The LGA continues to promote the policy of further retention of business rates with a focus on use of newly retained resources to properly fund existing services, as well as considering the potential of further fiscal devolution.
 - 5.2. *'Make longer-term reforms to the [business rates] system to address concerns about the way it currently works. We will make sure that revaluations are conducted more frequently to avoid large changes to the bills that businesses face, and explore the introduction of self-assessments in the valuation process. To ensure the system is sustainable for the future we will also conduct a full review of the business rates'*

¹ What the Manifestos Say – General Election 2017 <https://www.local.gov.uk/parliament/what-the-manifestos-say>

22 June 2017

system to make sure it is up to date for a world in which people increasingly shop online.'

The LGA has in the past called for more frequent revaluations provided they assist with managing the risk of appeals, as well as for the business rates system to ensure that online businesses make a fair contribution and for councils to be given maximum flexibility on reliefs and we will continue to work with these positions in mind. The most recent review of business rates as a tax, conducted in 2015, recommended a permanent extension of small business rates relief in England. The LGA will engage with this review and provide proposals, to be cleared by members of the Board with priority given to measures to reduce avoidance. It is unclear whether this could affect the implementation of business rates retention reform, should it continue.

- 5.3. *'Continue to ensure that local residents can veto high increases in council tax via a referendum.'*

This was a policy of the previous Government and the LGA will continue to oppose council tax referenda.

- 5.4. *'Continue to restore the public finances over the course of the next parliament. We will continue with the fiscal rules announced by the Chancellor in the Autumn Statement last year, which will guide us to a balanced budget by the middle of the next decade.'*

This does not imply a departure from current spending plans. However, the new Government might choose to introduce a Spending Review to cover a larger part of the Parliament than the current Spending Review period allows. The LGA will continue to lobby the Government to address the funding gap that local authorities face in the future. Should the Government decide to hold a Spending Review, the LGA will prepare a submission as usual.

6. The DUP manifesto does not mention local government finance for England and Wales. However, it does call for a raft of financial benefits from the UK government for Northern Ireland. If more funding is allocated to Northern Ireland, this will reduce the amount available for public services in England and Wales.

Welfare Reform

In its manifesto the Conservative Party pledged to:

7. *'...[ensure that The Prime Minister's leadership will be driven by] the interests of ordinary, working families: people who have a job but do not always have job security; people who own their own home but worry about paying the mortgage; people who can just about manage but worry about the cost of living and getting their children into a good school.'*
8. *'...continue to run the welfare system in accordance with our belief that work is the best route out of poverty, that work should always pay, and that the system should be fair both to the people in need of support and those who pay for it. We have no plans for*

22 June 2017

further radical welfare reform in this parliament and will continue the roll-out of Universal Credit, to ensure that it always pays to be in work.'

9. The language about 'ordinary working families' was repeated throughout the manifesto, and will continue to inform our position on the welfare reforms, and support for social mobility and social justice more generally. Prior to the election there was still a possibility of a social justice green paper in the autumn (originally proposed for the spring, then shelved). We will continue to argue for a more devolved and locally integrated employment and skills system. We will also continue to argue for a significant review of both affordable housing and housing benefit policy to address the growing gap between income and housing costs.
10. 'No further radical welfare reform' does not mean a great deal in the context of the substantial reforms that have already happened (or are happening). We will continue to argue for a slowing of pace, and potential reduction, on the £12bn savings that the previous chancellor set in train. We have good evidence base for the wisdom of this course of action in light of the changed economic context post-Brexit. To continue to implement these savings through reductions in working age benefits is likely to push up costs elsewhere, including for local councils through, for example, increased homelessness.

Workforce and pensions

The gender and race pay gaps

11. In its manifesto the Conservative Party pledged to:

11.1 *"...require companies with more than 250 employees to publish more data on the pay gap between men and women. ...continue to work for parity in the number of public appointments going to women, and ...push for an increase in the number of women sitting on boards of companies. ...take steps to improve take-up of shared parental leave and help companies provide more flexible work environments that help mothers and fathers to share parenting. ...provide parents and carers with the confidence to return to work when and how they wish. [by] support[ing] companies to take on parents and carers returning to work after long periods of absence and back similar schemes in the public sector, including the country's biggest employer, our NHS.*

11.2 *"...ask large employers to publish information on the pay gap for people from different ethnic backgrounds."*

12. The effective gender pay gap in local government is now zero and so it would not be challenging for councils to publish further details, although it will be important to ensure that any regulations are not onerous and bureaucratic. There has also been some growth in the percentage of women in leadership positions.
13. The LGA will seek to be involved closely in discussions about encouragement for obviously progressive employment practices around parental leave and return to work.
14. The LGA will need to examine the quality of information on pay differentials based on ethnic differences.

22 June 2017

Career learning

15. In its manifesto the Conservative Party pledged to:

- 15.1 *“...produce the best programme of learning and training for people in work and returning to work in the developed world. We will help all workers seeking to develop their skills in their existing jobs by introducing a new right to request leave for training for all employees. Alongside this, we will help workers to stay in secure jobs as the economy changes by introducing a national retraining scheme. Under the scheme, the costs of training will be met by the government, with companies able to gain access to the Apprenticeship Levy to support wage costs during the training period.*
- 15.2 *...break down the barriers to public sector workers taking on more qualified roles because of their prior educational attainment. For instance, we will ensure that teaching assistants can become qualified teachers and healthcare assistants can become nurses via a degree apprenticeship route, in addition to other routes.”*

16. There is much to be welcomed in the concept of a part funded national retraining scheme and in expanded apprenticeship routes to career development. The LGA will seek full involvement in the development of these policies.

Guaranteeing a decent wage

17. In its manifesto the Conservative Party pledged to:

- 17.1 *“...continue to increase the National Living Wage to 60 per cent of median earnings by 2020 and then by the rate of median earnings...”*

18. This pledge keeps the National Living Wage on the track set by the previous government and provides some stability to plan for changes in the local government pay structure.

Graduate recruitment and “mutuals”

19. In its manifesto the Conservative Party pledged to:

- 19.1 *“...continue to fund schemes to get graduates from Britain’s leading universities to serve in schools, police forces, prisons, and social care and mental health organisations. ...provide seed funding for similar schemes to recruit older professionals from other sectors, including those returning to the workplace having cared for children and relatives and those approaching retirement.*
- 19.2 *...establish in law the freedom for employees to mutualise, where appropriate, within the public sector.”*

20. The LGA will be keen to have full involvement in the development of funded graduate schemes relevant to the sector. There is a longstanding need to bring older returners back into the workplace.

Health and care

21. In its manifesto the Conservative Party pledged to:

21.1 *“...hold NHS England’s leaders to account for delivering their plan to improve patient care. If the current legislative landscape is either slowing implementation or preventing clear national or local accountability, we will consult and make the necessary legislative changes. This includes the NHS’s own internal market, which can fail to act in the interests of patients and creates costly bureaucracy. So we will review the operation of the internal market and, in time for the start of the 2018 financial year, we will make non-legislative changes to remove barriers to the integration of care.”*

22. The prospect of regulatory and potentially legislative changes to facilitate health and care integration provides an opportunity for the LGA to put forward ideas for improvement, including ideas to improve the portability of terms and conditions such as continuity of service. This will help to ensure that terms and conditions do not form a barrier to further integration.

23. The Community Wellbeing Board have undertaken their own analysis of manifesto pledges, and have highlighted the following on the Conservative Party’s manifesto section on, ‘A long-term plan for elderly care’, which states that the current system is “not working”. The Conservative Party’s proposals include:

23.1 ***Aligned treatment of a person’s home in the financial means test.*** The value of a person’s home will be taken into account in the financial means test for home care, as it currently is for residential care.

23.2 ***Guaranteed level of asset protection.*** Broadly speaking, under the current charging system for residential care anyone with assets above £23,250 (the ‘upper capital limit’) has to pay the full cost of meeting their eligible care needs themselves. Anyone with assets below £14,250 has their care paid for, and anyone with assets between £14,250 and £23,250 pays a tariff amount of £1 for every £250 (or part thereof) worth of assets. The proposal would raise the upper capital limit to £100,000, meaning every individual would be guaranteed to retain this amount of their assets. This would apply across homecare and residential care because of the aligned treatment of a person’s home in the means test.

23.3 ***Extended deferred payment agreements (DPA).*** DPAs allow people to defer the costs of their residential care and pay those costs at a later date, typically upon the sale of their home when they die. The proposal would extend DPAs to managing the costs of home care.

23.4 ***A cap on the maximum amount an individual is required to contribute to their care costs.*** This is the ‘Dilnot Cap’, currently codified in the Care Act, Section 15, but previously ‘on hold’ until 2020/21.

23.5 ***Means testing winter fuel payments.*** The money released will be “transferred directly to health and social care”.

24. It is not clear at this stage what each of these proposals will cost or raise. Some figures have been used in national media but these are not Conservative Party figures.

22 June 2017

25. The emerging 'confidence and supply' arrangement that the Government has put in place with the DUP may impact on the above proposals. For instance, media coverage over the weekend immediately following the General Election suggested that the DUP would seek to 'water down' some of the Government's proposals, including – and of particular interest for adult social care – the means testing of winter fuel payments and the end of the pensions 'triple lock'.

EU Funding

26. Brexit is likely to dominate Government's and Parliament's time. It is likely to form the cornerstone of the Queen's Speech. The LGA is well prepared for the debate, through work led by our Brexit Task and Finish, and contributions from this Board, we have clear analysis of the most important issues for councils and can articulate where local flex is needed across a range of current EU laws.

27. This is where our "seat around the table" will be important. Therefore, as a priority, we will need to ensure that the series of ministerial meetings promised by previous DEXEU ministers in March to discuss devolution, funding and trade are started soon.

28. Importantly, Post EU "regional aid" has been guaranteed in all manifestoes. There was a consensus. This is a significant LGA win, as it was our first call after the referendum. Following on from the General Election, the LGA is now ready to articulate why successor arrangements to be local and flexible. A later paper sets this out in detail (See Item 8 "Beyond Brexit: Future of funding currently sourced from the EU").

29. There will now be day-to-day Brexit negotiations between the UK and the EU and we will need to have the ability to look quickly at the (unintended or beneficial) consequences of any negotiating position from the viewpoint of councils. This could be the impact of tariffs on housing materials and the consequences for future build or the local benefits from new bilateral trade opportunities. The onus will be on the LGA and other associations to make sure that local government's voice is heard.

Implications for Wales ²

30. The local government finance reform pledges above relate to matters devolved to the Welsh Government and as such might result in changes in its block grant through the Barnett formula convention.

31. The Welsh Local Government Association will lead on lobbying on these issues in Wales.

Financial Implications

32. This work is budgeted for in the LGA's Core 2017/18 budget.

² The WLGA pays a membership fee to the LGA on behalf of all Welsh councils and we lobby for them on "non-devolved" issues - e.g. DWP work. The WLGA provides "top-slice" for workforce support, but none for "improvement".

22 June 2017

Next steps

33. Members are asked to:

- 33.1. consider the initial assessment of the pledges; and
- 33.2. offer views on the policy positions the LGA should adopt in its work with the new Government.



Local Government Finance Update

Purpose

For discussion and direction.

Summary

This report provides an update on the LGA's work on local government finance policy matters, including further business rates retention.

Recommendation

Members of the Resources Board are asked to note this report, comment on its contents and agree any further action.

Action

LGA Officers to proceed as directed.

Contact officer:

Nicola Morton

Position:

Head of Local Government Finance

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Email:

Nicola.morton@local.gov.uk

Local Government Finance Update

1. This report highlights recent developments with implications for local government finance. It provides an update on the LGA's work on finance, including further business rates retention.

Business Rates Retention and the election

2. The Government consultation "100% business rates retention: further consultation on the design of the reformed system" closed on 3 May. The [LGA's response](#) to this noted that there is still a lot of work to be done on the design of the system, such as how exactly resets would work. We also reiterated our assertion that before any additional responsibilities can be transferred to local government to be funded through further business rates retention, it is imperative that local authorities must be able to use the additional income from business rates to address existing funding pressures.
3. The Local Government Finance Bill, which provided the enabling legislation for further business rates retention, had not completed its passage through Parliament before the dissolution of Parliament on 3 May. As a result, it will be for the new Government to decide its priorities after the general election and decide whether or not to reintroduce the Bill at the start of the new session. Until then, in common with other aspects of Government policy development, Government work on the Fair Funding Review and further business rates retention has been on hold. This means that the joint DCLG/LGA steering group and working groups have not been meeting and all meetings of these groups have been cancelled.
4. The LGA has continued its own policy development work during this time and will call for the next Government to ensure that both business rates retention reform and the Fair Funding Review continues.
5. Following the election, we have concentrated on getting the LGA's messages on finance included in discussions with the new Government. In particular the message that local government currently faces an estimated funding gap of £5.8 billion by 2019/20. If local government is not given the fiscal freedoms and independence to address this problem, it will affect councils' ability to both provide services to help their local communities and contribute to the nation's prosperity. We have also emphasised that business rates are an important source of income for local government. The business rates system needs to be up to date, buoyant, fair and flexible for both ratepayers and councils. We called for a commitment to implementing further business rates retention if it can be done in a way that is positive for the sector by giving local government the maximum fiscal independence to address the funding gap, balancing needs and fairness with an incentive to grow local economies.

Fair Funding Review

6. At the time the general election was called, the Government's expected further consultation on the Fair Funding Review had not been published. It will be for the new Government to decide its priorities after the general election and whether to proceed with the review, although this reform is not dependant on new primary legislation.

Other Finance workMiFID II

7. During the December meeting of Resources Board members considered the LGA's [response](#) to the Financial Conduct Authority's (FCA's) consultation on the implementation of the MiFID II regulations (Markets in Financial Instruments Directive). Since then, officers have had extensive discussions with officials at the FCA. The Board of the FCA was due to meet on 25 May to approve the final MiFID regulations.. The regulations are due to be published by 3 July at the latest, hopefully sooner. Local authorities will have to implement them fully by the end of December. It is now proposed that officers will work with the pensions scheme advisory board, Cipfa and the banking sector on formulating a common approach to implementation across the sector.

Cipfa Prudential code for capital finance

8. The [LGA's response](#) to this consultation as approved at the last meeting of the Resources Board, was submitted by 25 April. The revision of the code is now being considered by Cipfa's Treasury Management Panel and a draft revised code is expected to be consulted on over the summer.

Insurance discount rate consultation

9. On the 30 March the Ministry of Justice and the Scottish issued the consultation "[Personal injury discount rate: how it should be set in future](#)" on the process for setting the discount rate for personal injury insurance claims. This is the rate of interest used to calculate how much a personal injury award needs to be in order for it to be sufficient to cover the costs of the injured party for however long they are going to suffer (in many case for the rest of their lives). In simple terms the assumption is that they will receive a lump sum which they will be able to invest, and returns from that investment will be assumed to be based on the discount rate; so if the discount rate is low, the lump sum (the award) will need to be higher, costing the insurer or insured party (such as a council) more up front.
10. The rate was unchanged since 2001 and then a new (lower) rate was announced on 27 February this year and was implemented on 20 March. Councils are reporting that it is likely to result in increased costs in the form of higher premiums from insurance companies or higher pay-outs in the case of self-insurance arrangements; there is also the possibility of increased costs relating to historic cases insured by the old Municipal Mutual Insurance which ceased new business in 1992.
11. Resources Board Lead Members approved a [response](#) to this consultation (which closed on May 11th) that highlighted that the change in the rate will result in increased costs for local government and that this needs to be provided for. It also pointed out that £1.2 billion was put aside in the 2017 budget for increased NHS costs arising from this. Future work will include working with the sector to calculate how much these additional costs are.

Recommendations

12. Members of the Resources Board are asked to note this report, comment on its contents and agree any further action.

13. Financial Implications

14. This is part of the LGA's core programme of work and as such has been budgeted for.

Implications for Wales

15. The proposals for business rates retention set out by DCLG, and the Fair Funding Review affect England only. MiFID, the Cipfa Prudential Code and insurance discount rate apply equally to Wales as to England.



Workforce Update

Purpose

For information.

Summary

This report sets out the key workforce policy developments that have taken place since the last Board meeting on 3 April 2017.

Recommendation

That the LGA Resources Board note the update.

Action

As directed by members.

Contact officer:	Jon Sutcliffe
Position:	Senior Adviser (Workforce Policy and Strategy)
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Workforce Update

Background

1. The most important developments since the last meeting of the Board concern the review of the national pay spine.
2. This report sets out key developments on the pay spine and gives some brief updates in other areas including senior officer conduct and capability, social work recruitment and retention, apprenticeships and the local government workforce strategy.

Review of the National Pay Spine and the National Living Wage

3. The introduction of the National Living Wage (NLW) was announced by George Osborne in his July 2015 Budget. He indicated that its target level was to reach 60% of median hourly earnings by 2020. At the time of the announcement the forecast for 2020 was £9.35 per hour and in his speech he referred to it being “at least £9”.
4. The subsequent two-year local government pay agreement covering April 2016 to March 2018, made some headway in bridging the gap and introduced minimum hourly rates of £7.52 (April 2016) and £7.78 (April 2017). This agreement included some further bottom-loading in each of the 2 years to maintain differentials and then annual pay awards of 1% further up the pay spine. This two-year deal added 2.4% to the national pay bill. These rates provided some headroom in relation the NLW which was £7.20 (April 2016) and £7.50 (April 2017).
5. The 2016-18 pay deal included a commitment for the National Joint Council (NJC) to review its pay spine. There was overwhelming support among councils for restructuring the national pay spine in order to meet the ‘2020 challenge’. Other messages from the regional pay consultations included: councils wanted a clear longer term plan, rather than a series of single year deals; that a revised pay spine should be ‘future proofed’ in order to absorb annual changes to the NLW; have equal differentials between each spinal column pay point; did not cause equal pay problems for employers; and should require the minimum amount of time and effort for employers to implement and assimilate.
6. The NJC set up a pay spine review group to look at what could be done from a technical point of view; it is not a negotiating group. Both sides have worked hard to ensure that we had a full set of pay data which has been used for modelling and costing purposes.
7. The group looked at a range of potential models that covered 1, 2 and 3 year options. All but one model involved assimilation onto a new ‘evened out’ pay spine. Notwithstanding the caveat that the review group was not ‘negotiating’, and without any formal discussion with a wider audience, the working group indicated that a two-year settlement would appear to be a likely outcome of negotiations. This could consist of a ‘traditional’ pay award on the existing pay spine in 2018, with assimilation on to a new pay spine in 2019. All percentages relating to such a deal would be subject to the usual negotiation process which is outside the remit of the working group.

8. We had agreed with the unions at the start of the review process that we would not provide a running commentary on our discussions. However, once we started to cost various models it became clear that we needed to get subtle messages out to councils to ensure that financial planning was not being based on an assumption of headline 1.0% pay increases. A 'warming up the audience' message was sent out to Finance Directors and through the regional employer organisations, indicating that likely costs on the national pay bill over 2-3 years were about 4.5-6%.
9. The scale of the bottom-loading required over the next couple of years to remain legally compliant, means that the overall impact on the national pay bill of various models will hide greater local variations than those that would normally arise in a 'traditional' pay settlement, as there are huge variations in the proportion of the workforce employed at the lower end.
10. It should also be noted that the pay data on which costings are being modelled does not include schools due to the difficulty of getting full and accurate data on schools where in many cases the local authority does not provide payroll services to its schools. However we have gathered some sample data on schools which suggests that the skewed distribution of school support staff towards the lower end of the pay spine means that the impact of the tested models on school 'Green Book' pay bills is likely to be about 2% greater than that on 'corporate' pay bills.
11. The two year models that appear worth further consideration have a minimum rate of between £8.75 and £9.00 by April 2019. Were we to reach agreement of £8.75 in 2019, and then to assume pay awards of 1.0% in each of 2020 and 2021, then based on the most recent Office for Budgetary Responsibility estimates for the NLW we would lose the bottom two pay points on the new spine after just two years.
12. The unions' claim is likely to be lodged in mid-June. We understand that the claim will be for one year and will be for a 5% increase on all NJC pay points, plus the deletion of the bottom 4 NJC pay points.
13. To inform the response to the claim, we have arranged the usual series of regional pay briefings for during July/August. It is intended to use the pay briefings to seek feedback on the principles that have been applied to the review of the pay spines.
14. Following the consultation, further modelling will be carried out with a view to seeking agreement from the NJC Employers' Side on the shape of an offer by mid to late September.

Senior Officer Conduct and Capability

15. The JNC for chief executives has now agreed and trained a cohort of expert independent investigators. As and when conduct or capability cases arise, a local authority can contact the LGA who will provide three names and CVs, for the local parties to consider. Only genuine conflicts of interest should prevent selection from the names provided. LGA officers will manage the list on a 'taxi rank' system as per our original submission to CLG, prior to the abolition of the DIP process. To date we have had two requests for support in this context.

Social Work Recruitment and Retention

16. On the 1 June we ran an event in the West Midlands to support councils with issues they are facing in children's social care. The region has the second highest turnover rate (16.1%) and vacancy rate (17.5%) outside London. The event was attended by over 50 councils and looked at ways of reducing agency usage and cost as well as new ways of recruiting and retaining social workers, such as flexible hiring and a Come Back to Social work programme.

Apprenticeships

17. LGA is responding to councils need to address the apprenticeship levy. The LGA is delivering a support programme to councils to help them plan and manage the apprenticeship levy and meet their public sector targets. The levy will cost councils £207m per year to achieve 36,000 apprenticeship opportunities. Several issues have emerged which involve the development of appropriate training standards and the application of the levy in schools. The LGA is providing practical advice and guidance to help councils sharing practice and supporting new standards development.

Local Government Workforce Strategy

18. It has been seven years since the last formal version of the Local Government Workforce Strategy was published. It feels timely to produce a refreshed statement of shared workforce priorities, together with ideas about how to approach local priorities and the support that the LGA can offer. The workforce strategy team has begun work on a briefing document and further updates will be provided at subsequent meetings.

Implications for Wales

19. The pay negotiations and pension policy sections above cover Welsh councils, whereas the strategic elements of the LGA's work do not directly apply to Welsh councils.

Financial Implications

20. The outlined activities are within the work programme and therefore have been budgeted for.

Next steps

21. Members are asked to note the report.

Note of last Resources Board meeting

Title:	Resources Board
Date:	Monday 3 April 2017
Venue:	Rooms A&B, Ground Floor, Layden House, 76-86 Turnmill Street, London, EC1M 5LG

Attendance

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

Item	Decisions and actions	Action
1	<p>Apologies and Declarations of Interest</p> <p>The Board noted the apologies listed at <u>Appendix A</u>.</p> <p>There were no declarations of interest.</p>	
2	<p>Update on Housing, Homelessness and Welfare Reform</p> <p>Rose Doran (Senior Adviser – Welfare) and Nick Porter (Senior Adviser – Housing) introduced the item, which updated the Board on the LGA’s current and proposed work on housing, homelessness and welfare reform. Members in particular noted recent work on the cumulative impacts of welfare reform, and the scale of costs of temporary and emergency accommodation.</p> <p>Direct impacts included the cost of benefit administration to local authorities, and it was important that the Department for Work and Pensions considered the implications of how resources were distributed. Indirect impacts were more complex, and included welfare reforms as a catalysts for behavioural change. At the previous Board members had received a presentation on interim findings of work which had been commissioned on the impacts of welfare reform. The final report had now been received, and cumulative impacts on some households would be significant, and the LGA would be taking the work forward through the industrial strategy and the inclusive growth strategy.</p> <p>Members noted that homelessness had increased due to the loss of assured freehold tenancy, and therefore there had been a rise in the amount of temporary accommodation required to be provided by local authorities. Another main driver was affordability of housing, which had become a major factor in the years since the recession. There was a lack of emergency accommodation, and as a result councils were housing people in bed and breakfasts, which was expensive. Universal Credit posed a new challenge and cost risk to councils, and some authorities had seen spikes in rent arrears. The LGA was looking at possible innovations in temporary accommodation, and was working with the private rental sector, councils and the government to explore options.</p>	

In the discussion which followed, Members raised the following points:

- The LGA would work closely with partner organisations on generating a narrative on social justice, and advocating for existing reforms. There should also be more partnership working with government, and lobbying that taking money out of housing benefit was not sustainable, and would just push the cost elsewhere.
- Authorities who were early adopters of Universal Credit should be in regular contact with the LGA, so when issues arose they could be used as evidence when lobbying the government.
- There were a number of transitional issues, such as design of Universal Credit, and waiting times, and it was hoped a specific piece of work could be undertaken with DWP to look at issues which were arising.
- Increasing the amount of house building was also vital in reducing homelessness and the number of residents in temporary accommodation. The LGA should continue to lobby on the housing bill, and this work would be primarily led by the Environment, Economy, Housing and Transport Board. About 300,000 homes were required to be built each year for a decade to impact on cost.
- The rural impact of homelessness should be considered as a significant issue. Temporary accommodation was not always available in the same town where a family were located, and they may be forced to change school or job as a result. There was also the issue of rural public transport. In urban areas there was a similar high cost to councils in taxi fares when moving people to temporary accommodation.
- A piece of work on indirect costs of welfare reforms would be taken forward, considering the knock on impact of out of area placements or unsuitable accommodation. Officers would work with colleagues from the Children and Young People Board on the costs of homelessness, to set out the scale and shape of the problem.

Decision

The Board **noted** the update and comments would be taken on board when planning the LGA's future priorities and key policy lines related to homelessness, housing and welfare reform.

3 Business Rates Revaluation: Support Measures in the 2017 Spring Budget

Mike Heiser (Senior Adviser – Finance) introduced the report and highlighted the measures in the Spring Budget which made up a package of support worth £435m to help business in England facing significant increases in business rates bills from April 2017 as a result of the recent revaluation. The measures included support for small or rural businesses which as a result of revaluation have increased over the limit for small business rate relief, a consultation on a discretionary relief scheme which will fund £300m of discretionary business rate relief between 2017/18 and 2020/21, and relief for pubs that have a rateable value below £100,000 for one year only.

A draft consultation response to the discretionary relief scheme was included for agreement by the Board, and officers were currently waiting for the consultation document on relief for pubs which was expected soon. The government had stated that relief should be discretionary rather than mandatory, so that local authorities could shift resources between years, but DCLG would undertake a single new burdens assessment on the three measures.

In the discussion which followed Members raised the following points:

- In response to a question on if a pub would receive a business rate discount if they currently owed the council outstanding business rates, it was anticipated that this would be covered in the forthcoming consultation document.
- Concern was raised that some authorities would see all businesses have a reduction in rates through the discretionary relief scheme. The LGA had asked DCLG for a detailed calculation but this had not yet been produced. A flaw had been built into the formula so that businesses rather than the council were disadvantaged, and if they paid less business rates they would get less of a discount. It was suggested that officers could look at the impact of the distribution without a flaw in the formula, and this would be examined. Lead Members could sign off the change in the draft consultation response prior to the deadline.
- Subject to considering what the DCLG model of discretionary relief would look like without a flaw, the Board were happy to endorse the consultation response.

Decision

The Resources Board:

Noted the report; and

Approved the response to the consultation document on the design and implementation of the locally administered Business Rates Relief Scheme, subject to consideration of the impact of a distribution formula with no flaw.

Action

Lead Members to sign off on the amendment to the consultation response, and response to the subsequently submitted to DCLG.

4 Local Government Finance Update

Nicola Morton (Head of Local Government Finance) introduced the report, which highlighted the announcements in the 2017 Spring Budget with implications for local government, as well as the LGA's work on other local government finance policy matters.

The Chancellor had announced an additional £2 billion to councils in England for Adult Social Care (ASC) between 2017/18 and 2019/20, and half of this would be for 2017/18. As a result all ASC authorities would receive additional funding. A Green Paper on ASC was expected later in the year, and the LGA's funding analysis would be updated to reflect the changes.

Regarding business rates, the government had announced the setting of a

fixed time limit for appeals, for which the LGA had lobbied for some time. The Local Government Finance Bill had been introduced in January 2017, which abolished central share and levy and settlements through parliament. The government could provide for losses through appeal. There would also be powers for combined authority mayors to raise more infrastructure money. The LGA had done a lot of work to brief MPs, and had given evidence to the Bill Committee. It was expected that the Bill would move to the Lords later in the year, and become law by the end of 2017.

The government had published a consultation paper on further business rates retention, where local authorities would be able to retain some growth. This would impact on local growth zones and the provision for appeals. The deadline for responses to the consultation was 3 May, and the Task and Finish Group on Business Rates would be meeting following the Board to discuss the matter.

In the discussion which followed Members raised the following points:

- The additional money for ASC was welcomed, and it was hoped that local government would have full discretion on how this should be spent. The LGA had pushed for councils to have flexibility, but it should be spent on ASC needs, sustainability of the market, and discharges from hospital. It was hoped that the LGA would be engaged at an early stage on the ASC Green Paper.
- It was hoped that areas engaging with business rates pilots would share the details of how 100% business rate retention was working. It was confirmed that Greater Manchester was not losing Public Health funding as a result of their pilot, and no pilot areas were currently better or worse off. The Public Health ring fence would continue as before.
- It was noted that revaluation could be done every year, but the LGA was engaging on the possibility of more frequent resets. There would be further analysis on this, and it may be difficult for the LGA to take a view.

Decision

The Resources Board **noted** the report.

5 Response to Consultation on Cipfa Prudential Code for Capital Finance in Local Authorities and Cipfa Treasury Management Code of Practice

Bevis Ingram (Senior Adviser – Local Government Finance) introduced the report which set out the LGA's responses to the consultations on the Cipfa Prudential Code for Capital Finance in Local Authorities, and the Cipfa Treasury Management Code of Practice. Although the potential changes were technical, the codes were of great importance as they underpinned the capital financing framework for councils, and required a high level response. The Prudential Code in particular had been very successful for local government as it allowed councils to set their own limits according to their own needs.

Members agreed that the arrangements had worked well, provided a good

governance framework to be followed, and that the review should not fundamentally alter current arrangements. The draft consultation response was agreed.

Decision

The Resources Board **agreed** the draft response to the consultation paper.

6 EU Funding Update

Cllr Clarence Barrett, Chair of the Resources Board EU Funding Working Group, introduced the report which provided an update on securing investment currently sourced from the EU. Members noted that Article 50 had been triggered the previous week, which commenced the formal start of Brexit negotiations.

It was highlighted that in December 2016 the LGA had commissioned Shared Intelligence Ltd to provide focused independent research on EU funding, including case studies to support the case for continuation of regional aid after the UK has left the EU, and a final evidence report and policy recommendation on early thinking options for the future design of post-EU exit domestic regional aid policy in England. They had presented interim findings to the LGA and further in depth analysis would be undertaken to strengthen the case.

The LGA was also considering a range of post-Brexit options following the publication of the Government's Brexit White Paper, and these would be explored through the Working Group and reported back to a future Board meeting.

Members supported the view that the Government should continue to support regional aid as it supported vital areas such as rural economies and broadband roll out.

Decision

The Resources Board **noted** the update.

7 Workforce Update

Selena Lansley (Head of Workforce) introduced the report which updated the Board on key developments in workforce policy since the last meeting.

Members noted that the review of the National Pay Spine was ongoing, but the process was lengthy and a total increase of 3% would not meet the National Living Wage by 2020. A collective agreement by the Employer's Side and Unions was currently unlikely, but discussions with the Unions to date had focussed on the principles underpinning the review and how those would be translated into options.

- In response to a question on the London Living Wage it was highlighted that governance arrangements came under the Greater London Council, but that the National Joint Council may be minded to include the London Living Wage in the design principles.

- National employers would have to think carefully about whether they paid the living wage to contractors. By not paying at the floor of the living wage, there could be consequences for contractors by implication.
- Members noted that due to concerns with the ongoing and late development of legislation on HMRC guidance and the online tool for assessing IR35 employment tax status, the LGA alongside SOLACE, Cipfa and Penna had called for the implementation to be delayed so HMRC could place the proper arrangements in place to ensure that reforms met the government's aims.
- Members noted that the LGA would continue to keep a watching brief on sleeping-in payments which do not count in calculations of the national minimum wage. The Community Wellbeing Board had suggested joint action on the proposal for annual audits on services commissioned by councils to make sure they were covered by the national minimum wage, and it was proposed that letters be drafted and signed off by Lead Members of both Boards. Members endorsed this approach.

Decision

The Resources Board **noted** the update.

Action

Letters to be drafted and signed off by Lead Members of the Resources and Community Wellbeing Board on annual audit new burdens.

8 Minutes of the previous meeting

Decision

The Board **agreed** the minutes of the previous meeting held on 16 January 2017.

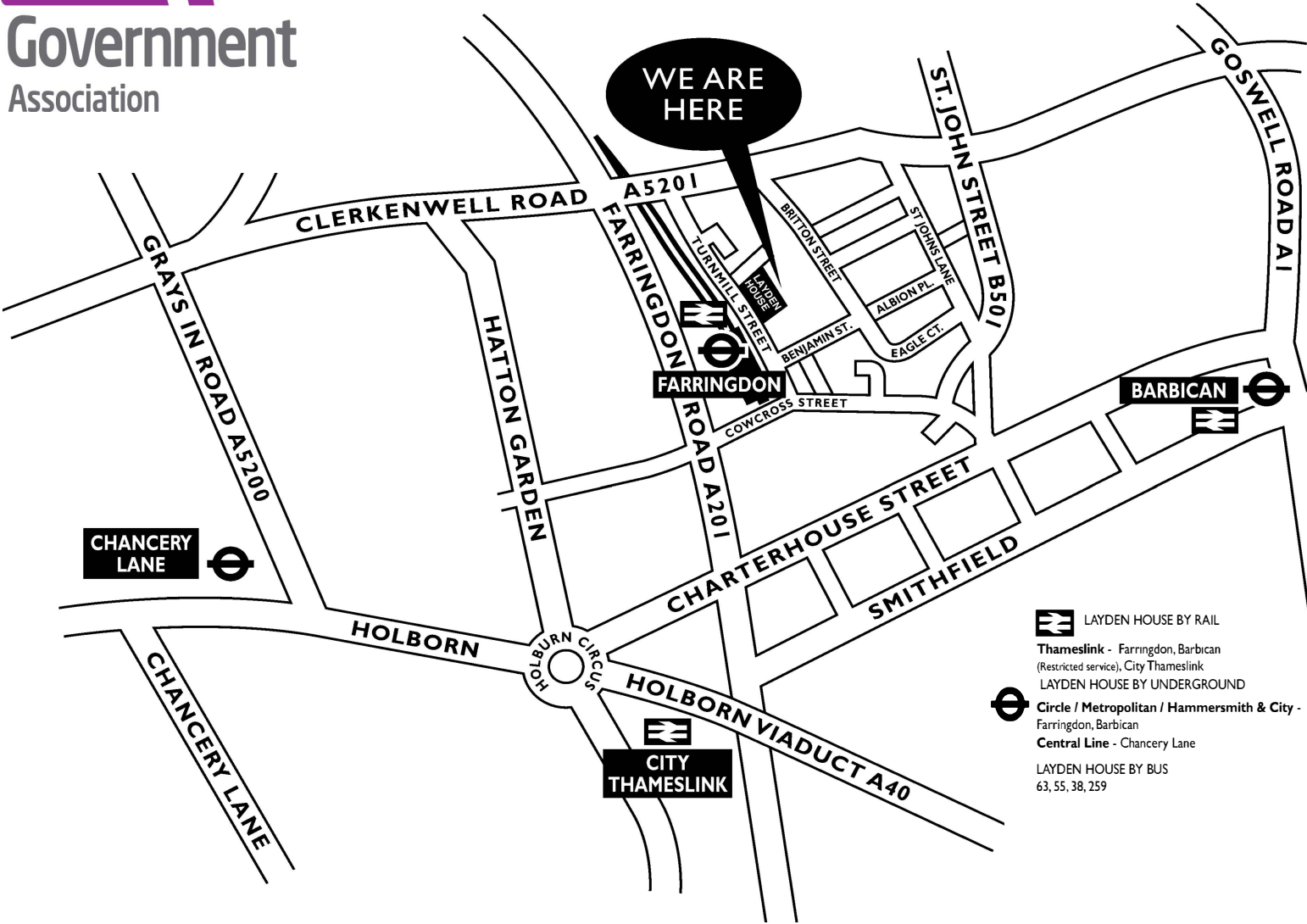
Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Claire Kober OBE	Haringey Council
Vice-Chairman	Cllr John Fuller	South Norfolk District Council
Deputy-chairman	Cllr Clarence Barrett	Havering London Borough Council
	Cllr Claire Hudson	Mendip District Council
Members	Cllr Nigel Ashton	North Somerset Council
	Cllr James Jamieson	Central Bedfordshire Council
	Cllr Barry Macleod-Cullinane	Harrow Council
	Cllr Roger Phillips	Herefordshire Council
	Cllr David Renard	Swindon Borough Council
	Cllr Lynne Duffy	Wychavon District Council
	Cllr Sarah Hayward	Camden Council
	Cllr Peter Marland	Milton Keynes Council
	Cllr Linda van den Hende	Havering London Borough Council
	Cllr Simon Shaw	Sefton Metropolitan Borough Council
Apologies	Cllr Rishi Shori	Bury Metropolitan Borough Council
	Cllr Aaron Shotton	Flintshire County Council
	Cllr Sian Timoney	Luton Borough Council
	Cllr Tom Beattie	Corby Borough Council

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Layden House

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 London
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**The Local Government Association will be based at Layden House whilst refurbishment takes place at their offices in Smith Square.*

Public Transport

Layden House is served well by public transport. The nearest mainline station is **Farringdon** (Circle, Hammersmith & City and Metropolitan Lines. It also has Overground lines)

Bus routes - Farringdon Station

- 63 - Kings Cross - Crystal Palace Parade (**Stop A/B**)
- 55 - Oxford Circus -High Road Leyton (**Stop E/K**)
- 243 - Redvers Road - Waterloo Bridge (**Stop E/K**)

Cycling Facilities

The nearest Santander Cycle Hire racks are on Theobold's Road.
 For more information please go to www.tfl.gov.uk

Car Parks

- Smithfield Car Park - EC1A 9DY
- NCP Car Park London Saffron Hill - EC1N 8XA