

Note of last Resources Board meeting

Title:	Resources Board
Date:	Friday 27 March 2015
Venue:	Smith Square 3&4, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

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

Item	Decisions and actions	Action
1	Declarations of Interest	
	Cllr David Phillips declared an interest as a member of the Local Government Pensions Scheme (LGPS).	
2	Minutes of the previous meeting held on 6 January 2015	
	The minutes of the meeting held on 6 January were agreed as a correct record subject to the following amendments:	
	<ul style="list-style-type: none">• that Cllrs Simon Shaw and Norman Keates be listed as attending;• that reference be made to the discussion on retaining middle ranking professionals and the difficulty of paying market rates without paying market rate supplements; and• that exploring the interaction of low pay and the benefits system be recorded as an action.	
3	Workforce Update	
	Cllr Roger Philips (Workforce Lead Member) introduced the report which provided an update on activity in the core workforce team work areas of: pay; negotiations; pensions; workforce strategy; and consultancy. In doing so, he paid particular attention to: the agreement on chief executives' pays under £99,999; a potential fresh claim from Unison for the period 2014-15 which was already the subject of an agreed Local Government Service pay agreement; and progress in the implementation of the new Local Government Pensions Scheme (LGPS) regulations.	
	In the discussion that followed, Members made a number of comments including:	
	<ul style="list-style-type: none">• A number of Members expressed disappointment and concern at recent reports and comments in the media regarding the LGPS deficit. With reference to significant improvements to the Scheme, Members expressed their support for the LGPS and were keen that a robust and public defence of the scheme be made.	

- Whilst the overall LGPS operating surplus was noted, questions were asked regarding the financial sustainability of individual funds and what steps could be taken to support those funds operating close to cash flow deficit. Members emphasised the moral imperative to support the sustainability of individual funds and noted the need to make representations to individual funds and Secretary of State on this.
- The LGA member guide on the challenges in retaining qualified social workers was warmly welcomed, with several Members providing feedback on its constructive use within their own authorities.
- In response to questions, it was confirmed that the Secretary of State had agreed the recommendations of the School Teachers' Review Body. A Member expressed concerns that the changes could lead to compression of pay scales and to greater competition due to schools paying differential rates.

Decision

The Resources Board noted the report and asked that their comments inform the development of the team's work.

4 Welfare Reform Update

Rose Doran (Senior Advisor) introduced the report which updated Members on the latest developments on welfare reform. In doing so, she paid particular attention to: the roll out of Universal Credit (UC); the future role of councils in Revenue and Benefits; and the publication of a second LGA report on making the case for devolution to local areas of welfare, employment and skills.

In the discussion that followed, Members made a number of comments, including:

- There was a detailed discussion on the future role of councils in revenues and benefits, including the risk of new responsibilities being placed on councils without funding. There was strong support for a more robust approach to discussions with Government, with the sector setting out its offer of support, which must be underpinned by meaningful incentivisation by Government. The pre-election period through to the next Spending Review was highlighted as a critical opportunity in which to influence the next Government. With this in mind, Members asked that a financial and operational model be developed prior to the next Board meeting to explore in detail what such an offer might look like.
- With reference to the division of responsibilities for welfare benefit fraud with the Department for Work and Pensions (DWP) predominately inheriting the less complex cases, serious concerns were expressed regarding the impact of the Single Fraud Investigation Service (SFIS) on councils' ability to tackle fraud and

the financial risks to councils, particularly relating to overheads.

- With reference to the creation of a centralised Advice Centre service in Wales, concerns were expressed regarding its implementation and effectiveness.

Decisions

The Resources Board:

- i. noted progress;
- ii. asked that its views inform the development of the work programme; and
- iii. commissioned the development of a financial and operational model for the transfer of certain revenue and benefit responsibilities between DWP and the sector.

Action

That a financial and operational model for the future role of councils in revenues and benefits be developed.

5 Local Government Finance and EU Funding Update

The Chair briefly introduced the report which was for information, updating Members on progress on EU funding 2014-2020 and on several work streams within the local government finance policy area.

In the discussion that followed, Members made a number of comments, including:

EU funding

- Members expressed grave disappointment and concern at the decision to limit the role of local partners to 'advisory' and reiterated the imperative that the sector continue to push Government to recognise that local partners have a key and active role in delivering European Structural Investment Fund (ESIF) programmes on the ground.
- With reference to the division of Technical Assistance (TA) between local and national activity, Members stressed the importance that a watching brief be kept given the critical role of TA in providing capacity and resource for planning and supporting ESIF locally.

Business rates

- Several members shared examples of business rates avoidance leading to asset deterioration from within their localities and emphasised the need for tools to address this. Nicola Morton (Head of Local Government Finance) confirmed that this issue had been included in the LGA's response to the Government's consultation on Business Rates.

Decision

The Resources Board noted the report and asked that its comments inform the Local Government Finance and EU Funding work streams.

Action

Circulate the LGA's response to the Government's Business Rates Consultation to Board Members.

6 Local Government Finance Work Plan Priorities

The Chair briefly introduced the report which outlined some suggested priorities for the work programme of the LGA's Local Government Finance and Welfare Reform teams, including a list of activities proposed to be scaled back due to staffing reductions.

In the discussion that followed, a number of comments were made, including:

- Whilst Members agreed the overarching priorities and areas where resource would be scaled back, there was a general feeling that a more holistic and thematic approach would be advantageous. Members suggested that the policy team focus on a smaller number of key cross cutting themes - such as health and social care integration - that would encompass a range of more granular issues within them. These key themes would then underpin the LGA's local government finance work such as submissions to Government on the Budget and Comprehensive Spending Reviews.
- In taking this work forward, Members emphasised the importance of cross-Board working, as well as collaboration with partners and stakeholders such as the voluntary community sector (VCS).
- Members discussed taking a more strategic approach to the adult social care funding priority (paragraph 6.2), with suggestions including the development of a range of different financial and operating models and scenarios.
- In discussing the opportunity to influence the Government's review of business rates, a Member emphasised the imperative that meaningful incentivisation of growth be at the centre of the reform agenda.

Decisions

The Resources Board:

- i. approved the suggested work programme priorities of the Local Government Finance and Welfare Reforms teams - including the list of activities proposed to be scaled back – subject to a more overarching and thematic approach to prioritisation going forward; and
- ii. supported the strategy for dealing with unexpected pressures outside of this framework.

7 Budget Submission 2015

The Chair moved the report, which set out the LGA's 2015 Budget Submission to Her Majesty's Treasury (HMT), without further comment.

With reference to the Deprivation of Liberty Safeguards (DoLS), several Members expressed the view that calling for additional funding from Government was counterproductive given the current financial climate. However in doing so, the Board acknowledged that the Community Wellbeing Board might take a different perspective on this issue.

Decision

The Resources Board note the LGA's 2015 Budget Submission to Her Majesty's Treasury.

Exclusion of Press and Public

The remainder of the meeting was closed to the public and press for the consideration of the following confidential items.

8 Future Funding Campaign Update (Confidential)

9 Local Government Finance: LGA Lines (Confidential)

Appendix A -Attendance

Position/Role	Councillor	Authority
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Chairman

Vice-Chairman

Deputy-chairman

Cllr Roger Phillips

Cllr Claire Hudson

Cllr Clarence Barrett

Herefordshire Council

Mendip District Council

Havering London Borough Council

Members

Cllr Claire Kober OBE

Cllr Sian Timoney

Cllr Tom Beattie

Cllr Norman Keats

Cllr James Jamieson

Cllr John Osman

Cllr Melvyn Caplan

Cllr Adrian Hardman

Cllr John Fuller

Cllr Simon Shaw

Cllr Linda van den Hende

Cllr David Phillips

Haringey Council

Luton Borough Council

Corby Borough Council

Knowsley Metropolitan Borough Council

Central Bedfordshire Council

Somerset County Council

Westminster City Council

Worcestershire County Council

South Norfolk District Council

Sefton Metropolitan Borough Council

Havering London Borough Council

Welsh Local Government Assoc. (WLGA)

Apologies

Cllr Sue Murphy

Cllr Aaron Shotton

Cllr Sharon Taylor OBE

Cllr Chris Shaw

Cllr Nigel Ashton

Cllr Barbara Janke

Cllr Harvey Siggs

Cllr Denny Vitty

Manchester City Council

Flintshire County Council

Stevenage Borough Council

North East Lincolnshire Council

North Somerset Council

Bristol City Council

National Association of Regional Employers

Northern Ireland Local Government

Association (NILGA)