

## Note of last Resources Portfolio meeting

---

**Title:** Resources Portfolio  
**Date:** Friday 17 July 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
<b>1</b>	<b>Welcome, Apologies and Declarations of Interest</b>  Cllr Roger Phillips welcomed everyone to the meeting, noted the apologies received and advised that he would be Chairing the meeting in Cllr Kober's absence.  No declarations of interest were made.	
<b>2</b>	<b>Congratulations</b>  On behalf of the Board, the Chairman congratulated Cllr Kober who had received an OBE in the Queen's Birthday Honours list.	
<b>3</b>	<b>Changes to Governance Structure</b>  The Chairman advised that the Leadership Board had agreed to pilot a new portfolio holder style governance model from 1 September, with one of the pilot areas being Resources. The pilot would be based on a flexible, portfolio way of working, with no formal meeting, and a review after 6 months. Given this, no Resources Board meetings had been planned for 2015/16.  Stephen Hughes (Executive Director) advised that as part of the governance changes, the Leadership Board would take a stronger role in shaping the work of the Boards where a corporate overview was required. In line with this, the Leadership Board had commissioned work on a number of cross cutting areas, details of which would be developed over the summer and shared with the new Resources Portfolio members at the earliest possible opportunity.  In the discussion that followed, Members asked for further details on how the pilots would operate and highlighted the importance that the new arrangements encompass all activity undertaken by elected members within the Resources area.  <b>Decision</b> The Resources Board noted the update.	

**Action**

Circulate details of the governance changes to current Resources Board members. (Frances Marshall)

**4 Resources Board End of Year Review and Stocktake**

The Chairman moved the report which reflected upon the work of the Board in the past year and suggested areas of focus for the next 12 months. The Chairman deferred the discussion on future priorities as this would be covered through subsequent items on the agenda.

**Decision**

The Resources Board reviewed its work and achievements over the past year.

**5 Local Government Finance: LGA Lines (Confidential)**

A confidential discussion took place.

**6 Universal Credit: Housing Design and Colocation (Confidential)**

A confidential discussion took place.

**7 Meeting the Skills Needs of Local Government**

Sarah Messenger (Head of Workforce) introduced the item which sought Members' views on LGA policy to help councils to get the most out of the system for identifying and delivering workforce skills. In particular, she invited Members to volunteer to champion and take forward the LGA's views on skills policy and delivery.

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

- With reference to the role of councils as local economic champion, a growing skill shortages and a shift toward a more slimmed down, multi-skilled workforce, the Board welcomed a proactive approach to strategic workplace planning.
- Questions were asked regarding the role of Skills for Justice and what elements of the local government workforce it represented.
- Cllr Linda van den Hende volunteered to undertake the Skills Sector Champion role.

**Decisions**

That the Resources Board agreed:

- i. the three proposed principles underpinning the LGA's skills-related activity; and
- ii. the proposal for a sector skills champion.

## **8 Workforce Team Update**

Sarah Messenger (Head of Workforce) introduced the report which updated on activity in the core workforce team work areas of: pay; negotiations; pensions; workforce strategy; and consultancy. In particular, she invited Members' views on employment agencies and use of 'umbrella companies'. Jeff Huston (Head of Pensions) provided an update on the pensions elements of the report.

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

- Serious concerns were expressed at the financial pressures resulting from the ending of contracting out and the potential impact of new models of service delivery on Local Government Pensions Scheme (LGPS) costs. In response to questions, it was noted the Government had indicated that the increase in National Insurance costs would not be offset by any additional funding for any type of employer.
- Whilst Members welcomed the opportunity to influence the Government's proposals for delivering savings to manage down pension deficits, the Board felt that prescriptive pooling arrangements were counter to local determination. Whilst there were examples of successful collective investment vehicles, Members felt there should be freedom for these decisions to be decided locally. In discussing potential changes, suggestions to be taken into consideration included: scale; unitisation; benchmarking performance of asset pools; and reviewing LGPS governance arrangements.
- The Board discussed employment agencies and use of 'umbrella companies'. Whilst Members were not supportive of poor procurement practice, they felt the LGA was unable to issue direction on the issue due to the fact that the practice was legal. It was suggested the LGA continue to encourage best procurement practice and actively lobby MPs to legislate to make the practice illegal.

## **Decisions**

The Resources Board:

- i. discussed and note the report; and
- ii. agree not to issue a statement in the issues of good practice in procurement.

## **9 Local Government Finance and EU Funding Update**

Stephen Hughes (Executive Director) introduced the report which updated on recent local government finance policy developments. In particular, he summarised the key issues in the Chancellor's Emergency Budget on 8 July with implications for local government and projected the funding position for councils as a result of the changes through the LGA's Future Funding Outlook.

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

- Lobbying for greater freedoms and flexibilities to enable councils to build more homes was highlighted as a key priority, with particular reference to the impact raising the Housing Revenue Account borrowing cap would have on existing and future infrastructure schemes.
- The Board reiterated the importance of continuing to lobby for councils to retain 100 per cent of Right to Buy receipts to support new housing.
- The Government's Business Rates Reform consultation was highlighted as an opportunity push for full devolution of business rates to enable local authorities to set rates and exemptions locally.
- In discussing the implications of the National Minimum Wage, serious concerns were raised regarding the upward pressure on council budgets and contract costs – particularly in relation to care – and emphasised the importance that Government be made aware of the extent of the new burdens.
- Long term financial certainty, particularly in relation to future income sources, was highlighted as vital to enabling councils to plan for future demands. Members highlighted the need to define the sector's asks and preferred delivery mechanisms to provide this certainty.
- Proportionally sharing the financial and efficiency savings from adult social care and health integration between health and local

authority partners was highlighted as a key challenge.

- With reference to the interconnectivity of neighbouring authorities, a Member highlighted the need for a holistic approach to facilitate cross working and avoid transferring challenges between local authorities.
- Concerns were expressed regarding the financial and administrative burden on councils as a result of the differential rate “Pay to Stay” proposal for social housing tenants with household incomes above specified limits.

Cllr Sue Murphy (Lead Member for EU Funding) and Russell Reefer (Advisor) provided a verbal update on the latest regarding the 2014-2020 EU funding programme. In doing so, they drew attention to an announcement in the budget relating to Cornwall being granted Intermediary Body (IB) status and confirm that the LGA would push for IB status to be available to more areas.

- Whilst Members welcomed the shift in the Government’s position, serious concerns were expressed regarding a lack of engagement in certain local areas between LEPs and local authorities.
- With reference to a lack of clarity from Government, Members emphasised the importance that there be a requirement in the Terms of Reference for European Structural Investment (ESIF) Committee to include more than one locally elected representative.

### **Decision**

The Resources Board noted the report and agreed its comments inform the development of the work programme.

### **Action**

Reflect the Board’s comments in the work programme for 2015/16.

## **10 Adult Social Care Next Steps: 'Creating a Better Care System'**

Aivaras Statkevičius (Senior Adviser) introduced the report on adult social care integration which had been requested by the Board at its previous meeting. He provided an overview of the findings of an independent report commissioned by the Community Wellbeing Board on the future of the health and care system.

Members noted the report and highlighted the importance of effective joint working between local government and the health sector.

**Decision**

The Board noted the report.

**11 Minutes of the previous meeting held on 27 March (confidential)**

**Decision**

The minutes were agreed subject to the records being amended to reflect that Cllr Simon Shaw and Cllr Norman Keates were both present at the past two meetings.

**Appendix A -Attendance**

Position/Role	Councillor	Authority
Chairman		
Vice-Chairman	Cllr Roger Phillips	Herefordshire Council
Deputy-chairman	Cllr Claire Hudson	Mendip District Council
	Cllr Clarence Barrett	Havering London Borough Council
Members		
	Cllr Sue Murphy	Manchester City Council
	Cllr Aaron Shotton	Flintshire County Council
	Cllr Sharon Taylor OBE	Stevenage Borough Council
	Cllr Chris Shaw	North East Lincolnshire Council
	Cllr Sian Timoney	Luton Borough Council
	Cllr Norman Keats	Knowsley Metropolitan Borough Council
	Cllr John Osman	Somerset County Council
	Cllr Nigel Ashton	North Somerset Council
	Cllr Melvyn Caplan	Westminster City Council
	Cllr Adrian Hardman	Worcestershire County Council
	Cllr John Fuller	South Norfolk District Council
	Cllr Robert Saunders	East Hampshire District Council
	Cllr Simon Shaw	Sefton Metropolitan Borough Council
	Cllr Linda van den Hende	Havering London Borough Council
Apologies		
	Cllr Claire Kober OBE	Haringey Council
	Cllr Tom Beattie	Corby Borough Council
	Cllr Michael Mordey	Sunderland City Council
	Cllr James Jamieson	Central Bedfordshire Council
	Cllr Harvey Siggs	National Association of Regional Employers