

Note of last Resources Board meeting

Title: Resources Board
Date: Tuesday 15 September 2020
Venue: Via Zoom

Attendance

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

Item	Decisions and actions	Action
1	Welcome, Apologies & Declarations of Interest Cllr Richard Watts (Chair) welcomed the following new members to the Board for the 2020/21 cycle: Cllr Graham Gibbens, Cllr Bev Craig, Cllr Terry Paul, Cllr Abdul Jabbar, Cllr Adam Swersky, Cllr Harpeet Uppal. The following declarations of interest were noted: <ul style="list-style-type: none">- Item 6: Cllr Keith House noted he is a member of PSAA Board.- Item 7: Cllr Amanda Serjeant is currently a serving Secondary School Teacher.	
2	Resources Board 2020/21: Terms of Reference, Membership and Appointments to Outside Bodies The Chair introduced the item and asked for any comments; <ul style="list-style-type: none">- The Chair proposed that Cllr Sharon Taylor take on the role of the Equalities Advocate. This was agreed by members.- Richard Wenham noted that he has been incorrectly listed as a new Board member. Decision The Members of the Resources Board; <ol style="list-style-type: none">1. Noted the membership of the Board for 2020/21;2. Noted the Board's Terms of Reference for 2020/21;3. Agreed to Membership of any Outside Bodies;4. Appointed Cllr Sharon Taylor to act as the Equalities Advocate for the Board	
3	2020/21 Priorities & Work Programme The Chair invited Sarah Pickup (Deputy CEO, LGA) to discuss the 2020/21 Priorities & Work Programme. Sarah gave a brief introduction and asked members for comments. In the subsequent discussion members raised the following points; <ul style="list-style-type: none">- Members urged the need for flexibility in the Work Programme given the ongoing challenges of the COVID crisis. Temporary and emergency accommodation were raised as areas of increasing demand. Sarah	

added that flexibility is being placed at the core of all LGA work, with close monitoring of the key challenges facing local authorities.

- Questions arose on the ongoing Business Rates Review and the decision-making process between the Resources Board, Executive Advisory Board and the Business Rates and Local Government Finance Reform Task & Finish Group. Sarah outlined the current progress of the Review and the governance arrangements to ensure the submission deadlines are met. Papers relating to the Review will be shared with the Resources Board for information purposes.
- The prospect of local government reorganisation was briefly discussed, along with the impact this might have on finance and the provision of adult social care.
- On the Comprehensive Spending Review, members noted opposition to one-year settlements which do not provide scope for long term planning. Sarah added that the LGA is continuing to push for three-year budgets but also explained that shorter-term agreements are also needed to meet immediate concerns.

The Chair summarised the discussion, flexibility will be important moving forward with the continued uncertainty around funding as a result.

Decision

The Members of the Resources Board noted the proposed priority areas of 2020/21.

Action

Officers to action the Work Programme in line with comments from Members.

4 Finance Update

The Chair invited Nicola Morton (Head of Local Government Finance) to introduce the report.

Nicola discussed the following developments and points of work since the last meeting;

- Collaboration is ongoing with the Institute for Fiscal Studies on the financial challenges facing local authorities in the medium term due to COVID. Additional IFS work on the funding gap for local government will feed into the LGA's submission to the Comprehensive Spending Review.
- The Tranche One Business Rates Review submission has been cleared by the Task & Finish Group and the Executive Advisory Board. The Tranche Two response is in progress.
- Sales fees and charges compensation scheme has been published. Local authorities will be asked to absorb 5% of losses but will be able to claim on the next 75%.
- Applications to the Business Grants Scheme closed at the end of August 2020. Payments can be expected in September 2020. A new scheme to compensate closed businesses has also been announced. The LGA position is that local authorities should be compensated in full for losses accrued due to COVID.
- A first draft of the CSR submission has been submitted to the EAB and

will be shared with the Resources Board in a future meeting.

In the subsequent discussion the following points were raised by members:

- Members raised concerns with the medium to long term funding implications for local authorities related to the COVID crisis. Additional financial burdens continue to be raised without appropriate resourcing.
- Leisure was highlighted as an area of ongoing concern. Members noted that many authorities continue to be heavily impacted by loss of income that will not be reimbursed due to outsourcing and trust arrangements for leisure services.
- Members discussed the predicted increase in demand on the welfare system over the winter due to the economic impact of COVID.
- Members requested that Officers make specific representations to the Government on the complexity and burden of evidence to claim from the Income Compensation Scheme. Sarah noted that work is underway on this topic.
- A short discussion took place on the Resources Board's role and engagement with the Test & Trace system. Concerns were raised with the level of funding being provided to authorities in comparison to private providers. Sarah explained the governance process around Test & Trace and the LGA's ongoing lobbying efforts to support a localised system.

The Chair summarised the discussion highlighting leisure as an area where strong representations are needed.

Decision

The members of the Resources Board noted the update.

Action

- Officers will proceed with the delivery of the LGA's work on local government finance issues.
- Officers to make representations on the reimbursement of losses on leisure provision.

5 Welfare Reform Update - Verbal Update

The Chair invited Rose Doran (Senior Adviser) to provide a verbal update on recent work and developments around Welfare Reform.

Rose made the following points:

- Research has been conducted on the end of COVID linked support schemes by modelling the impact on individual households and the subsequent effect on local authorities. Noted that there will be a degree of delay until the full impact on low income households can be understood.
- As such a key thread of the CSR submission will focus on reforming the methodology used to determine resource levels for funds such as DHP, Hardship Fund and Council Tax Support.
- Figures have shown that authorities have spent around 70% of the Hardship Fund so far. Lobbying efforts have been made with MHCLG on the matter.

- Work on food poverty has been submitted to Community Wellbeing Board and Children & Young People Board.
- Webinars on Reshaping Financial Support continue to be held with local authorities.

In the subsequent discussion the members raised the following points:

- Members noted that major increases in eligibility and applications for Council Tax Support have been seen. The challenge of collecting rent and tax arrears was highlighted with Rose added that debt management is being considered particularly in reference to council tax and low income households.
- Concerns were noted with the end of the stay on evictions and evidence of an increase in illegal evictions.

Decision

The members of the Resources Board noted the update.

Action

Officers to continue with delivery of Welfare Reform work in line with members comments.

6 Redmond Review

The Chair gave a brief introduction on the item and noted that the Review has recommended the creation of a new Office of Local Audit & Regulation (OLAR) that would take over the functions of the Public Sector Audit Appointments (PSAA).

Welcomed Peter Fleming (Chair of the IDeA Board) and Steve Freer (Chair of the PSAA) to the meeting, and asked Bevis Ingram (Senior Adviser) to introduce the report.

Bevis gave a brief overview of the Redmond Review and his report:

- This was an independent review to which the LGA submitted evidence, which was cleared by the Board in November 2019.
- Noted that Sir Tony Redmond will be speaking to an LGA webinar on 7th October 2020 which will be free to LGA members.
- Bevis explained that local audit in the NHS was not included in the terms of reference for the Review.
- Awaiting a Government response on the Review and asked for comments from members to steer the LGA position.

The Chair invited Peter and Steve to present their thoughts on the Review and a summary of the discussions of the IDeA Board.

- Peter explained that a robust conversation took place the IDeA Board on 9th September 2020 where concerns were raised with the ability of the recommendations to solve the problems seen around local audit. Argued that Senior Finance Officers need to
- Argued that changes to audit deadlines and the levels of evidence required could more effectively solve the problems being seen and encourage make public sector audit more attractive to firms.

- Steve added that by not including Health in the review a dual approach could be created which would lead to greater complexity.
- Noted that the proposals would be subject to primary legislation and as such will require a long-term implementation period.

In the subsequent discussion members raised the following points:

- Members noted that increasing capacity within the field of public audit is vital. Such would expand the options available for audit and the field of interpretation. The skill and knowledge level of auditors was also highlighted as an area of dissatisfaction.
- Concerns were raised on the recommendation to increase audit fees and the burden it would be placed on local authorities. Additional concerns were noted on that the cost of establishing OLAR could be passed onto local authorities.
- Members noted that Senior Finance Officers have a key role to play in the audit process and have responsibility to provide rigorous financial leadership and reporting.
- The structure and role for OLAR was also highlighted, where it was felt that it's role regulating, managing and procuring Audit services would be incompatible with good governance and competition regulations. Members also noted that the proposals would replace a sector led body with a centralised one.

The Chair summarised the discussion and asked officers to prepare a response to the Review in line with members comments. Recommends that LGA needs to make effective and reasoned counter proposals on this matter.

Decision

The members of the Resources Board noted the report.

Action

Officers to prepare a response to the Review in line with members comments.

7 Workforce Update

The Chair invited Naomi Cooke and Jeff Houston to introduce the update.

There followed a confidential discussion on the report's contents.

Decision

Members of the Resources Board noted the update.

8 EU Funding Update - Verbal Update

The Chair invited Paul Green (Adviser) to introduce the update.

Following Paul's introduction there was a confidential discussion on the report's contents.

Decision

The members of the Resources Board noted the update.

Action

Officers to continue with the delivery of EU Funding work in line with members comments

9 Minutes of the previous meeting held on 21st July 2020

The members of the Resources Board agreed the minutes of the previous meeting 21st July 2020 as an accurate record.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Richard Watts	Islington Council
Vice-Chairman	Cllr Tim Oliver	Surrey County Council
Deputy-chairman	Cllr Keith House	Eastleigh Borough Council
	Cllr Jason Zadrozny	Ashfield District Council
Members	Cllr Philip Atkins OBE	Staffordshire County Council
	Cllr David Finch	Essex County Council
	Cllr Daniel Humphreys	Worthing Borough Council
	Cllr Peter Jackson	Northumberland Council
	Cllr Roger Phillips	Herefordshire Council
	Cllr Richard Wenham	Central Bedfordshire Council
	Cllr Sharon Taylor OBE	Stevenage Borough Council
	Cllr Terry Paul	Newham London Borough Council
	Cllr Amanda Serjeant	Chesterfield Borough Council
	Cllr Peter Marland	Milton Keynes Council
	Cllr Erica Lewis	Lancaster City Council
	Cllr Bev Craig	Manchester City Council
	Cllr Adam Paynter	Cornwall Council
	Cllr Phelim MacCafferty	Brighton & Hove City Council