



Resources Board

Agenda

Tuesday, 15 November 2022
2.00 pm

Hybrid Meeting - 18 Smith Square and
Online

Resources Board
Tuesday, 15 November 2022

There will be a meeting of the Resources Board at **2.00 pm on Tuesday, 15 November 2022** Hybrid Meeting - 18 Smith Square and Online.

LGA Hybrid Meetings

All of our meetings are available to join in person at [18 Smith Square](#) or remotely via videoconference as part of our hybrid approach. We will ask you to confirm in advance if you will be joining each meeting in person or remotely so we can plan accordingly, if you wish to attend the meeting in person, please also remember to confirm whether you have any dietary/accessibility requirements. 18 Smith Square is a Covid-19 secure venue and measures are in place to keep you safe when you attend a meeting or visit the building in person.

[Please see guidance for Members and Visitors to 18 Smith Square here](#)

Catering and Refreshments:

If the meeting is scheduled to take place at lunchtime, a sandwich lunch will be available.

Political Group meetings and pre-meetings for Lead Members:

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 3263	email: labgp@lga.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

Attendance:

Your attendance, whether it be in person or virtual, will be noted by the clerk at the meeting.

LGA Contact:

Emilia Peters
emilia.peters@local.gov.uk

Carers' Allowance

As part of the LGA Members' Allowances Scheme a Carer's Allowance of £9.00 per hour or £10.55 if receiving London living wage 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.

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Local Government Association company number 11177145

Improvement and Development Agency for Local Government company number 0367557

Chairman: Councillor James Jamieson OBE **Chief Executive:** Mark Lloyd CBE **President:** Baroness Grey-Thompson

Resources Board – Membership

[Click here for accessible information on membership](#)

Councillor	Authority
Conservative (7)	
Cllr Richard Wenham (Vice Chairman)	Central Bedfordshire Council
Cllr David Leaf	Bexley Council
Cllr Mark Hawthorne MBE	Gloucestershire County Council
Cllr Nicholas Jones	Bury Metropolitan Borough Council
Cllr Phillip King	Harborough District Council
Cllr Rory Love OBE	Kent County Council
Cllr Roger Phillips	Herefordshire Council
Substitutes	
Cllr Andrew Jamieson	Norfolk County Council
Cllr Steve Count	Cambridgeshire County Council
Cllr Jonathan Smale	Derby City Council
Labour (7)	
Cllr Andrew Western (Chair)	Trafford Metropolitan Borough Council
Cllr James Lewis	Leeds City Council
Cllr Cathy Mitchell	Warrington Borough Council
Cllr Ed Turner	Oxford City Council
Cllr Peter Mason	Ealing Council
Cllr Shama Tatler	Brent Council
Cllr Terry Paul	Newham London Borough Council
Substitutes	
Cllr Abdul Jabbar MBE	Oldham Metropolitan Borough Council
Cllr Stephanie Cryan	Southwark Council
Cllr Kate Groucutt	St Helens Metropolitan Borough Council
Liberal Democrat (2)	
Cllr Keith House (Deputy Chair)	Eastleigh Borough Council
Cllr Richard Kemp CBE	Liverpool City Council
Substitutes	
Cllr Michael Headley	Bedford Borough Council
Independent (2)	
Cllr Jason Zadrozny (Deputy Chair)	Ashfield District Council
Cllr Phelim Mac Cafferty	Brighton & Hove City Council
Substitutes	
Cllr James Hakewill	North Northamptonshire Council
Cllr Zoe Nicholson	Lewes District Council
Cllr Nicola Dillon Jones	North Kesteven District Council

Agenda

Resources Board

Tuesday, 15 November 2022

2.00 pm

Hybrid Meeting - 18 Smith Square and Online

Item	Page
1. Welcome, Apologies and Substitutes, Declarations of Interest	
2. LGA Plan 2022-25	1 - 4
3. Local Government Finance Update	5 - 10
4. The 2022 Autumn Statement	11 - 16
CONFIDENTIAL ITEMS	
5. Workforce Update	17 - 30
6. Minutes of the previous meeting held on 22 September 2022	31 - 40
7. Any Other Business	

Date of Next Meeting: Tuesday, 28 February 2023, 2.00 pm, Hybrid Meeting - 18 Smith Square and Online

Meeting: Resources Board

Date: 15 November 2022



LGA Plan 2022-25

Purpose of report

For discussion.

Summary

On 19 October 2022, the LGA Board signed off a new 3-year business plan for 2022-25. The [LGA Plan 2022-2025](#) sets the direction for the LGA as a whole and includes our policy and campaigning priorities for the period.

The Board is asked to review the Plan and to discuss any changes to its workplan to reflect the overall LGA direction and priorities.

Recommendations

That the Resources Board reviews the Plan and discuss any changes to its workplan to reflect the overall LGA direction and priorities

Contact officer: Sarah Pickup

Position: Deputy Chief Executive

Phone no: 0207 8843 109

Email: sarah.pickup@local.gov.uk

LGA Plan 2022-25



Background

1. On 19 October 2022 the LGA Board signed off the LGA's new 3-year business plan – [LGA Plan 2022-2025](#). The development of the Plan was led by a joint officer/member task and finish group, who considered feedback from consultations and discussions with member councils, lead members, group executives and staff.
2. The new LGA Plan clearly sets out our vision to be **the Voice of Local Government** and our purpose to **Promote, Improve and Support** local government. A copy of the Plan is attached at **Appendix 1**.

Content

3. The LGA Plan is in three parts:

Part 1:

- sets out the LGA's overarching vision and the golden thread that runs through the plan - to be **the Voice of Local Government**;
- sets out our purpose - to **Promote, Improve and Support** local government. These form the three pillars of all our external facing work, including the work of the eight policy boards and the Improvement and Innovation Board.
- emphasises our commitment to work more collaboratively across the whole of local government to strengthen our voice on behalf of the sector;

Part 2:

- Promoting **local government** sets four policy and campaigning priorities
 - ✓ A sustainable financial future
 - ✓ Stronger local economies, thriving local democracy
 - ✓ Putting people first
 - ✓ Championing climate change and local environments;
- **Improving local government** sets out our main grant-funded commitments;
- **Supporting local government** highlights the excellent technical and professional support and services we deliver to councils in fields such as workforce, pensions, legal, communications and procurement and a range of place-based services.

Part 3:

- **Our business** – sets out our internal organisational priorities, including actions to support our political leadership and enhance our membership, increase our financial resilience and our commitment to Net Zero.

Delivering the LGA Plan

4. Members are invited to review the LGA Plan and to discuss any amendments or additions to the Board's work programme to align with the LGA's priorities.
5. The main outcomes relating to the Board's work are:
6. Promoting a sustainable financial future - High levels of inflation and energy costs and higher than expected forecasts of the National Living Wage mean that councils are facing significant additional cost pressures. Fair and sustainable funding would allow councils to plan and deliver essential, resilient public services beyond the short term.
7. We will work to secure the following outcomes:
 - Continue to highlight the cost pressures on all council services and press for longer term funding that reflects current and future demand for services.
 - Press for freedoms that lead to greater local control over council tax and business rates, and a wider range of suitable funding sources for councils.
 - Councils can access a range of sources of finance to encourage investment, supported by an appropriate financial framework.
8. Promoting stronger local economies, thriving local democracy.
 - Local government has a key role in reducing socioeconomic inequality by increasing opportunity, strengthening communities and safety nets, and promoting long-term financial inclusion and resilience.
9. Support to the local government workforce - Recruiting and retaining good staff at all levels is central to delivering excellent local services and a thriving local democracy. The cost of living crisis, and its impact on the workforce following years of restricted supply of key professions and reduced competitiveness with other employers, will be an acute challenge in the coming years. Our comprehensive workforce offer involves leadership of national collective bargaining, as well as supporting councils to address capacity and capability issues.
10. We will:
 - Lead on national collective bargaining across councils, schools, fire and rescue authorities, police support staff and other related workforces.
 - Deliver comprehensive workforce support including workforce planning, officer-member relationships, diversity and equality, and HR/OD reform looking at organisational structures, pay frameworks and employee engagement.
 - Provide specialist pensions support, including training courses for councillors and employers; as well as regulatory support from our team of expert advisers.
 - Promote national programmes that enhance and support the local government workforce and respond to significant skills shortages, including T Levels and apprenticeship support programmes.

- Support for fire authorities and National Employers to conduct collective bargaining, implement workforce requirements relating to fire reform and deliver effective services for local communities. The LGA will also continue its role as the secretariat for the NJCs for firefighters, middle managers and brigade managers

11. The LGA Plan will remain a flexible document that will be reviewed and updated annually, and with the agreement of the LGA Board, may be updated to reflect changing circumstances.

Implications for Wales

12. The LGA Plan includes the support that we provide to the 22 Welsh councils, in membership of the LGA through the Welsh LGA. However, some central government grant-funded activities do not include support to Wales, where funding may be allocated through the Welsh government.

Financial Implications

13. Delivery of the LGA Plan is reflected in the LGA's medium term financial strategy. Our internal business priorities include priorities to ensure the financial sustainability of the LGA.

Equalities implications

14. Our internal business priorities include the delivery of the LGA's equalities strategy and action plan.

Next steps

15. Subject to members' comments, the Board's work programme will be updated to reflect the priorities of the LGA Plan 2022-25.



Meeting: LGA Resources Board

Date: 15 November 2022

Local Government Finance Update

Purpose of report

For information

Summary

This report provides a summary of the work by the LGA on funding and finance issues since the previous meeting of the Board on 22 September 2022. This includes updates on business rates, audit, and capital. A separate paper on the agenda covers the 2022 Autumn Statement and the forthcoming local government finance settlement.

Recommendations

That Members of Resources Board note this update.

Action

Officers will proceed with the delivery of the LGA's work on local government finance matters, keep members of Resources Board updated on developments and seek the views of the Board where possible or of Resources Board Lead Members.

Contact details

Contact officer: Nicola Morton

Position: Head of Local Government Finance

Phone no: 020 7664 3197

Email: nicola.morton@local.gov.uk

Local Government Finance Update

Introduction

1. This report provides a summary of the work by the LGA on funding and finance issues since the last Resources Board meeting on 22 September 2022. A separate paper on the agenda covers the Government's 2022 Autumn Statement and the forthcoming local government finance settlement.

Funding for adult social care reforms

2. Lead Members of Resources Board cleared a response to a consultation from the Department for Health and Social Care (DHSC) on [the distribution of funding to support the reform of the adult social care charging system in 2023 to 2024](#). This consultation focuses on the distribution of funding for the extension to the means test, the cap on care costs and for implementation and additional assessments. [In our response](#), we called on the Government to ensure social care reforms are properly funded, and to defer elements of the proposals in order to allow time to learn from the Trailblazers and ensure the proposed regime is fit for purpose. We also pointed out the need to use the best available data to ensure allocations are as accurate as possible and to ensure that where there is evidence to suggest authorities are underfunded, they are provided with additional funding.

Energy Rebate through councils

3. Earlier this year the Government introduced a scheme to support domestic energy users through payments via councils. [Monitoring data for the scheme](#) shows that, by 30 September, 99 per cent of eligible households had been paid. The mandatory scheme was due to close on 30 September. This deadline has been extended to 30 November, which is the date by which councils must also complete payments under the discretionary part of the scheme. They will carry out a single reconciliation exercise for the whole scheme after the discretionary scheme closes. DLUHC has also commenced work on the second part of the New Burdens exercise, following the down payment of £28 million in May.

Business Rates

Business Rates Revaluation 2023

4. We understand that the Valuation Office Agency has completed the valuation work needed for compiling new valuation lists, based on estimated values as at 1st April 2021, which are due to come into force on 1st April 2023. At the time of writing this report, the VOA has not confirmed when the provisional valuation list will be published. It is expected to be around the end of November or the beginning of December and we would also expect the provisional multiplier and

Date: 15 November 2022

transitional relief schemes to be published at the same time. We called for these to be announced no later than Autumn 2022 in our [response](#) to the [DLUHC consultation](#) on transitional arrangements. This is to make the process as smooth as possible for both ratepayers and billing authorities and allow time for any necessary software changes.

Non-Domestic Rating Bill

5. The Non-Domestic Rating Bill which was announced in the [Queen's Speech](#) has not yet been introduced into Parliament. It is expected to set into law three yearly revaluation, new duties for ratepayers to provide information to the Valuation Office Agency, as well as introducing a new mandatory one-year Improvement Relief. The Government had intended for this new relief to come into force on 1st April 2023. LGA Officers are continuing to work closely with officials from the Valuation Office Agency and DLUHC and are pressing for them to provide clarification to councils on reliefs in 2023/24 as soon as possible.

Digitalisation of business rates

6. Following Board approval, the [LGA response](#) to the [consultation](#) on digitalising business rates was submitted to HMRC.

COVID-19 Additional Relief Fund (CARF)

7. The COVID-19 Additional Relief Fund (CARF), a £1.5 billion fund designed to help businesses not eligible for other business rates reliefs to deal with the effects of the pandemic, and which was delivered through discretionary business rates relief, was to have been awarded by 30th September 2022. We are waiting for information from DLUHC on the distribution of the relief by councils to businesses. Councils report that many businesses haven't applied for the relief or have turned it down and Government officials did not pursue suggestions from the LGA that the guidance should be amended to allow awards after 30th September or allow awards to properties such as retail which might have received other COVID-19 related business relief. The [guidance](#) for the relief indicates that reconciliation will be carried out at the same time as authorities submit their certified outturn business rates forms.

Local Authority Accounts and Audit

8. Following the last meeting of the Board, the various consultation responses on accounts and audit cleared at that meeting have been submitted. These were a [response](#) to a [consultation](#) from the [Public Audit Forum](#) on revisions to recommended practice for auditors of public sector bodies, a [response](#) to the annual [CIPFA consultation](#) on the Code of Practice on Local Authority Financial Reporting (2023/24) and a [response](#) to a [consultation](#) from Public Sector Audit and Appointments (PSAA) on the 2022/23 audit fee scale. Since then there have been further discussions on the ongoing crisis with local audit. The new Director of Local Audit is now in post at the Financial Reporting Council (which will

become the system leader for local audit when it becomes the Audit Reporting and Governance Authority, the ARGA). He has had an introductory meeting with the LGA's Chief Executive and other officers.

9. We have also had further discussions with DLUHC and CIPFA about the ongoing delays to finalising accounts due to the issue with infrastructure assets. CIPFA has been discussing proposed changes to the accounting code with the Financial Reporting and Advisory Board (FRAB), and DLUHC has undertaken a [very quick consultation](#) on issuing the necessary statutory override to provide a temporary solution to any problems still not resolved by the change to the accounting code. Resources Board Lead Members approved a response supporting this proposed action. Hopefully this means that a temporary resolution to this may soon be in sight which, when enacted, would enable finalisation of many of the 2020/21 accounts that are currently stalled.
10. On October 3rd Public Sector Audit Appointments announced the [outcome of the audit procurement](#) for 2023/24 to 2027/28. The procurement has been successful in obtaining coverage for the audit of the opted in bodies. Three new audit firms have joined the market (two are completely new, one is a returner from earlier contracts) and two existing firms are not continuing. The tender has resulted in a significant expected increase in total fees for 2023/24, with an average increase of 150% over 2022/23 being quoted and opted in bodies have been advised accordingly. The actual total fees will depend on the amount of work required. At the last Board meeting members stressed the need for good communication on this with councils and other opted in bodies and this has been stressed to PSAA by the LGA.

Capital

11. We have submitted the [response](#) to the [consultation](#) on the future of the [statutory override](#) for International Financial Reporting Standard 9 (IFRS 9), mitigating the impact of fair value movements of pooled investment funds. This was cleared at the last meeting of Resources Board. We have continued discussions on this with DLUHC and understand that there were a number of other responses to the consultation which DLUHC are now evaluating. The Chartered institute of Public Finance and Accountancy (CIPFA) submitted a joint [response](#) with the Institute of Chartered Accountants in England and Wales (ICAEW) in which they called for the override to end. This represents a change of direction for CIPFA who called for the override to be made permanent in their [response to the 2018 consultation](#) and are also quoted in the [Public Accounts Committee report on Local Authority Financial Sustainability](#) as saying that without the override there would be a "real revenue hit" on local authorities.

Implications for Wales

12. We are in regular contact with the Welsh LGA and the other local government bodies in the devolved nations to exchange intelligence, ideas and consider joint work on local government finance.

Financial Implications

13. The work covered in this paper is included in the LGA's core budget.

Equalities implications

14. This paper outlines how the LGA is working on a range of initiatives on finance and funding issues. These issues affect councils and their residents as a whole and it is difficult to assess what individual impacts there are on people with protected characteristics. Improving the funding position of councils should aid them to be able to fund work that improves equalities. Working with the Government on improving guidance on finance should also help with enabling better outcomes.

Next steps

15. Members are asked to note this update.
16. Officers will proceed with the delivery of the LGA's work on local government finance matters, keep members of Resources Board updated on developments and seek the views of the Board where possible or of Resources Board Lead Members.

Meeting: Resources Board

Date: 15 November 2022



The 2022 Autumn Statement

Purpose of report

For information.

Summary

The report provides a briefing on the ongoing steps taken by the LGA ahead of the forthcoming Autumn Statement. The paper also provides a summary of the main elements of the 2023/24 local government finance settlement.

Is this report confidential?

No

Recommendation/s

That Members of Resources Board note this update

Action

Officers will proceed with the delivery of the LGA's work on the 2022 Autumn Statement and the 2023/24 Local Government Finance Settlement, keep members of Resources Board updated on developments and seek the views of the Board where possible or of Resources Board Lead Members.

Contact details

Contact officer: Nicola Morton

Position: Head of Local Government Finance

Phone no: 020 7664 3197

Email: nicola.morton@local.gov.uk

The 2022 Autumn Statement

Background

1. In October, the Chancellor announced that the medium-term fiscal plan would be brought forward from 23 November to 31 October 2022. Following the appointment of the new Prime Minister, Rishi Sunak, the Government announced it would delay the fiscal statement and deliver a full Autumn Statement on 17 November 2022. The Autumn Statement will include a forecast from the Office for Budget Responsibility. It will also contain the UK's medium-term fiscal plan which according to the Government will put public spending on a sustainable footing and include measures to make debt fall over the medium term.
2. This report summarises the LGA's approach to preparing for and influencing the Autumn Statement. Separately, in anticipation of possible announcements in the Autumn Statement that are relevant to the forthcoming 2023/24 local government finance settlement, the report summarises key aspects of the settlement and previous thinking based on statements by the Government over the last year. These positions may have changed since these statements were made or may change as result of the Government's aim to reduce debt.

LGA submission

3. The LGA [submission](#) was developed with the Chairman and Group Leaders and was cleared by them and Lead Members of Resources Board. It is a focused document, with a small number of priority themes, and strong messaging on the cost pressures facing councils from inflation, and rising wage and energy costs. It includes a clear ask for additional funding to meet cost pressures for 2022/23 and future funding gaps.
4. The submission includes the following key areas:
 - **The cost pressures facing councils**
 - **People focused issues:**
 - i. **Adult social care**
 - ii. **Children's services**
 - iii. **Cost of living**
 - **Economic growth**
 - **Net zero**

5. Over the summer the LGA sent a survey to a sample of councils to gather further information on the cost pressures they are facing and their implications for council finances and services. The interim results of the survey have been included in the LGA submission to the Autumn fiscal event. We are also undertaking some analysis on how recent increases in interest rates could impact on councils in terms of borrowing and capital refinancing costs and how this might impact on capital investment programmes.

Local Government Finance Settlement 2023/24

6. It is possible that the 2022 Autumn Statement will include information that will affect the 2023/24 local government finance settlement. The following paragraphs summarise key aspects of the settlement and previous thinking based on statements by the Government over the last year. These positions may have changed since they were made or may change as result of the Government's aim to reduce debt.

Single or multi-year settlement

7. At the LGA's annual conference in June 2022, the Secretary of State for Levelling Up, Michael Gove, stated that there would be a two-year financial settlement for 2023/24 and 2024/25. This has not been confirmed following changes in government.

Funding envelope

8. In the 2021 Spending Review the Government stated that "Core spending power for local authorities is estimated to increase by an average of 3% in real-terms each year over the SR21 period". This includes assumptions about income from council tax and business rates.
9. When new burdens funding for social care reform is excluded from the Local Government Departmental Expenditure Limit in the 2021 Spending Review it is cash flat between 2022/23 and 2023/24.

Council tax

10. In the 2021 Spending Review the Government stated that "the referendum threshold for increases in council tax is expected to remain at 2% per year [for the remainder of the Spending Review period]. In addition, local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year".

Funding Reform

11. In the 2022/23 Local Government Finance Settlement, the Government stated it was committed to ensuring that funding allocations for councils are based on an

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up-to-date assessment of their needs and resources, and noted that the data had not been updated for a number of years. It announced it would work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes. However, in October 2022 at the Conservative Party conference the then minister for local government, Paul Scully, indicated that this review might not happen in the current spending review period.

12. There was no mention of the business rates reset and there have been no discussions about resets with DLUHC since 2019. Any significant change to the business rates and funding baselines should be consulted upon before implementation.

Grants inside Core Spending Power

13. In 2021 Spending Review the Government committed to provide £3.6 billion to local government to support moving towards paying providers a fair rate for care, and for the care cap and means test. The government recently consulted upon [the distribution of funding to support the reform of the adult social care charging system in 2023 to 2024](#).
14. In February 2021 the Government consulted on [The Future of the New Homes Bonus](#). The Government has not yet responded to the consultation.
15. In the 22/23 Settlement the Government introduced a one-off services grant of £822 million noting that it would work with the sector on how to distribute the Services Grant funding from 2023/24 onwards.
16. It has been Government policy since 2014/15, for each year that the business rates multiplier has risen by less the Retail Price Index (RPI), to pay an ‘under-indexation grant’ to councils up to the value of RPI.
17. The settlement should also include information on the value and distribution of other grants including the Lower Tier Services Grant, Rural Services Delivery Grant, Revenue Support Grant and other grants for social care.

Grants outside the settlement

18. In the 2021 Spending Review, the Government announced that it would maintain the Public Health Grant in “real terms” over the 2021 Spending Review Period. In the last few years, the allocations of the Public Health Grant have not been announced at the same time as the settlement.

Timing of the settlement

19. It is not clear when the 2023/24 Provisional Local Government Finance Settlement will be published. In 2018 [Andrew Hudson](#) recommended the provisional Finance Settlement should be published on or around 5 December and the final settlement no later than 31 January. Over the last few years the

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settlement has been published just before Christmas. The LGA continues to push for certainty and an early settlement.

LGA campaigning

20. In the lead up to the 2022 Autumn Statement, the LGA has been campaigning on behalf of local government including launching the [Save Local Services campaign](#) to highlight, in particular, the impact of existing cost pressures and the risk of spending cuts.

21. Media activity includes:

- Interviews with the Chairman on [BBC Radio 4's World at One](#) and BBC News.
- Interviews with the Senior Vice Chair by [BBC News](#) (twice) and LBC Radio.
- A comment piece for [Politics Home](#) warning about the urgent need for financial certainty to protect against further cuts to local government services.
- The [Guardian](#), [LGC](#) and MJ reported our lines in response to the Institute for Fiscal Studies report on the fiscal options available to the Chancellor.
- We are talking to numerous councils about the financial pressures they are facing, with a view to lining up further broadcast media packages with real-life council case studies and examples.
- Every week we are reaching out to national journalists, the trade press and producers of key political programmes.

22. Activity in Parliament includes:

- Letters to the new Prime Minister, Rishi Sunak, and the [new Chancellor, Jeremy Hunt](#), laying out our key asks for the upcoming Autumn Statement.
- Letters to new Secretaries of State, highlighting the key asks from our Budget submission which are relevant to their Department.
- Briefed Peers ahead of an October debate on the economy.
- Briefed LGA Vice-Presidents, a number of MPs and peers ahead of debates and select committees
- Supplied MPs with written and oral questions and provided information for an article for a MP.
- The Chairman and Deputy Chief Executive met with the Levelling Up, Housing and Communities Committee for a private session to discuss issues facing local government, including financial pressures.

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23. Other audience engagement activity includes:
- [Toolkit](#) created for councils to support local lobbying including local MPs. A second toolkit will be created to engage other targeted stakeholders.
 - Developed a [web hub](#) to act as a single point for more information.
 - Targeted direct marketing of key campaign messaging.
24. We will continue to campaign up to the 2023/24 Local Government Finance Settlement.

Implications for Wales

25. The outcome of the Autumn Statement could have implications for Welsh local authorities. We will work with the Welsh Local Government Association (WLGA), the Convention of Scottish Local Authorities (COSLA) and the Northern Ireland Local Government Association (NILGA) to keep them updated on our work and plans and consider possibilities for joint work.

Financial Implications

26. The work in this report is included in the LGA's core budget.

Equalities implications

27. This paper outlines LGA work on a range of policies. These are considered separately by individual boards as and when LGA policy is developed in these areas.
28. The funding of councils affects councils and their residents as a whole and it is difficult to assess what the individual impacts will be on people with protected characteristics. Improving the funding position of councils should help them to be able to fund services that are provided to their residents.

Next steps

29. Members are asked to note this briefing.
30. Officers will proceed with the delivery of the LGA's work on local government finance matters, keep members of Resources Board updated on developments and seek the views of the Board where possible or of Resources Board Lead Members.

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Minutes of last Resources Board meeting

Resources Board

Thursday, 22 September 2022

Hybrid Meeting - 18 Smith Square and Online

Attendance

An attendance list is attached as **Appendix A**

Item	Decisions and actions
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1	Welcome, Apologies and Substitutes, Declarations of Interest
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The Chair welcomed members to the Resources Board meeting and invited them to introduce themselves for the new membership year.

Apologies were received from Cllr Richard Kemp CBE, Cllr Peter Mason and Cllr Roger Phillips.

Cllr Stephanie Cryan, Cllr Michael Headley and Cllr Jonathan Smale were in attendance as substitutes.

No declarations of interest were made.

2	Resources Board 2022/23: Terms of Reference, Membership and Appointments to Outside Bodies
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Members were invited to consider the report which set out how the Resources Board operates and how the LGA works to support the objectives and work of its member authorities.

It was clarified that the meeting dates as set out in Appendix C to the report were correct and the LGA website would be amended to reflect the correct dates.

Decision:

Members

1. **Noted** the membership of the Board for 2022/23 as set out in Appendix A to the report
2. **Agreed** the Board Terms of Reference for 2022/23 as set out in Appendix B to the report
3. **Noted** the meeting dates for the 2022/23 as set out in Appendix C to the report.

3 Resources Board Priorities & Work Programme 2022/23

The Chair invited Members to comment on the proposed Resources Board priorities as set out in the report.

Members made the following comments:

- It was requested that inflationary costs and their impact on service delivery be included in the priorities report
- It was requested that in paragraph 3 of the report more shire district council services are included such as planning, housing, waste and leisure services.
- It was queried whether Cost of Living priorities be brought to the Executive to prevent policy boards overlapping.
- Under workforce. It was raised that there were issues recruiting and retaining staff which ought to be a priority to address
- Council Tax Support for people on low incomes was an issue.

It was clarified that inflationary costs were included in the LGA's work programme and part of the cost pressures work currently taking place, but could be explicitly set out in the report.

On council tax support it was confirmed that this would be kept under review as part of the LGA's work

Rose Doran, Senior Adviser, explained that Cost of Living was a cross-cutting issue which spanned across many LGA policy boards, but it was proposed that the Resources Board would be a lead on it because of their existing lead on support for low-income households. However, she recognised members' concerns about the high priority of this for councils and the LGA and agreed to follow up on members' request that a paper should be brought to the Executive to agree approach and priorities.

Naomi Cooke, Head of Workforce advised that recruitment and retainment were priorities for the sector that the Workforce Team and other LGA colleagues are seeking to progress in addition to the requirements in the DLUHC Grant Determination Letter.

Action:

An amended version of the Resources Board Priorities to be circulated to members.

Decision:

Members **noted** the report and comments made.

4 Digitalising Business Rates: Connecting business rates and tax data

The Chair invited Mike Heiser, Senior Adviser, to present the report which introduced the HM Revenues and Customs consultation on digitalising business rates. This contained proposals to link business rates information to tax records and enable businesses to view a copy of business rates billing information for all their non-domestic properties in England in one

place, alongside other tax information. Members were asked to consider a proposed response.

Members expressed the view that new burdens created from implementing the digitalisation of business rates should be highlighted in the response.

Decision:

Members **approved** the response as set out in Annex A to the report with the **addition** to strengthen the new burdens point in the response.

5 Future of the IFRS 9 statutory override: Mitigating the impact of fair value movements of pooled investment funds

The Chair invited Bevis Ingram, Senior Adviser, to present the report which outlined the response to a consultation from the Department for Levelling Up, Housing and Communities on the future of the statutory override to International Financial Reporting Standard 9 (IFRS 9). Members were asked to consider the proposed response which called for the override to be made permanent or, at least, be extended.

Decision:

Members **approved** the draft response to the consultation as set out in the appendix to the report.

6 Consultation on the 2023/24 Code of Practice on Local Authority Accounting in the United Kingdom

The Chair invited Bevis Ingram, Senior Adviser, to present the report which outlined the proposed response to the annual consultation from CIPFA LASAAC (Local Authority Scotland Accounts Advisory Committee) on the 2023/24 Code of Practice on Local Authority Accounting in the United Kingdom which reinforces points made in consultation responses from earlier in the year.

Members queried whether the issue of infrastructure assets was addressed. It was clarified that the need to address the issue of infrastructure assets was one of the key points being reinforced by the response.

Decision:

Members **approved** the draft response to the consultation as set out in the appendix to the report.

7 Public Sector Audit Appointments (PSAA) consultation on the 2022/23 audit fee scale: Opted-in local government and police bodies

The Chair invited Bevis Ingram, Senior Adviser, to present the report which outlined a draft response to a consultation for Public Sector Audit

Appointments (PSAA) on 2022/23 audit fee scale for opted-in local government and police bodies which supported the approach suggested in the consultation.

The proposal had included provision for inflation on scale fees, this was the first year inflation had been sufficiently high. Members raised that councils will need to have good information on fee levels for future years in order to help them plan their budgets and that PSAA should be asked to provide as much information and guidance on the likely fee levels under the new contract as soon as it is able to do so.

Decision:

Members **approved** the draft response to the consultation as set out in the appendix to the report with the **addition** of the point that councils need to be given as much notice as possible of increased scale fees.

8 Technical adjustment to the Business Rates Retention system

The Chair invited Mike Heiser, Senior Adviser, to present the report which introduced the DLUHC consultation on technical changes to the business rates retention system. Members were asked to consider a proposed response.

Decision:

Members **approved** the proposed response as set out in Annex A to the report.

9 Cost of Living Update

The Chair invited Rose Doran, Senior Adviser, to present the report which updated members on the ongoing work on cost of living. Since the circulation of the report the following has taken place:

- A response had been written to the new governments' emergency response to rising energy costs and had been sent
- In anticipation of the government's announcement relating to employment incentives, a response would be drafted with asks such as childcare costs considered
- There had been work across the organisation to address cost of living, including work from the behaviour insights team which encouraged people to make energy saving measures.

In discussions with members, it was highlighted that there were a range of issues which spanned across various policy boards at the LGA, including the following:

- Social housing including how the government provides funding to support them
- Housing supply which has decreased in some boroughs
- The increase in fuel costs
- The increase in food prices and how councils can support

residents.

In response, Rose Doran advised that this was a cross-cutting issue being addressed by various boards at the LGA including the City Regions Board, Children and Young People Board, Environment, Economy, Housing and Transport Board, and People and Places Board. The aim of the Cost of Living Steering Group would be to help bring them together. A meeting with the Department for Work and Pensions, and Department for Levelling Up, Housing, and Communities would take place to discuss which would be an opportunity to work collaboratively in housing benefit and housing supply.

Action:

To circulate a document to members outlining the various policy areas that relate to Cost of Living, which officers are responsible and which LGA board it is brought to

To take a paper on Cost of Living – impact on communities to Executive

Decision:

1. Members **noted** the update; and
2. The following members were **appointed** to the Cost of Living Steering Group:
 - Cllr David Leaf
 - Cllr Shama Tatler

10 Local Government Finance Update

The Chair invited Nicola Morton, Head of Local Government Finance, to present the report which provided a summary of the work by the LGA on funding and finance issues since the previous meeting including the approach to the Autumn Budget, cost pressures work, business rates, audit and capital.

Since the circulation of the report, it was confirmed that a fiscal announcement would be made the day after the meeting. There had also been an announcement on energy bill relief for businesses and non-domestic rate payers which included councils. There had also been confirmed on the day of the meeting that there would be a £500 million fund to support discharge from hospitals to social care and it was not yet confirmed how, and through which route, it would be distributed to local authorities.

Members raised concerns over the continuing rise to inflation costs, particularly in construction costs for housebuilding, and were advised that this was considered as part of the ongoing cost pressures work.

In answer to a question, Nicola Morton said we were pressing for clarity on how the £500 million would be distributed and the forthcoming 2023/24 local government finance settlement.

Decision:

Members **noted** the update.

11 Workforce Update - CONFIDENTIAL

Please refer to the confidential minutes documents for information relating to this item.

12 Minutes of the previous meeting held on 13 July 2022

Members agreed the minutes of the previous meeting as an accurate record.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Andrew Western	Trafford Metropolitan Borough Council
Vice-Chairman	Cllr Richard Wenham	Central Bedfordshire Council
Deputy-chairman	Cllr Keith House	Eastleigh Borough Council
	Cllr Jason Zadrozny	Ashfield District Council
Members	Cllr David Leaf	Bexley Council
	Cllr Mark Hawthorne MBE	Gloucestershire County Council
	Cllr Nicholas Jones	Bury Metropolitan Borough Council
	Cllr Phillip King	Harborough District Council
	Cllr Rory Love OBE	Kent County Council
	Cllr James Lewis	Leeds City Council
	Cllr Cathy Mitchell	Warrington Borough Council
	Cllr Ed Turner	Oxford City Council
	Cllr Shama Tatler	Brent Council
	Cllr Terry Paul	Newham London Borough Council
	Cllr Phelim Mac Cafferty	Brighton & Hove City Council
Apologies	Cllr Roger Phillips	Herefordshire Council
	Cllr Peter Mason	Ealing Council
	Cllr Richard Kemp CBE	Liverpool City Council
In Attendance	Cllr Kate Groucutt	St Helens Metropolitan Borough Council
	Cllr James Hakewill	North Northamptonshire Council
	Cllr Nicola Dillon Jones	North Kesteven District Council
	Kirsty Weakley	Local Government Chronicle
LGA Officers	Greg Burns	
	Naomi Cooke	
	Rose Doran	
	Claire Christopher	
	Mike Heiser	
	Jeremy Hughes	
	Bevis Ingram	
	Laura Johnson	
	Nicola Morton	
	Jamie Saddler	
	Rodrigo Sanchez	
Sam Swift		

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