

Resources Board End of Year Report

Background

1. In the past year, the Resources Board has shaped the national political agenda and made decisive interventions on priority issues for councils in the areas of: local government finance; welfare reforms; workforce; and the future of funding currently sourced from the EU.
2. The Board has contributed towards the achievement of LGA corporate priorities and campaigns, and has worked very closely with the LGA Leadership Board, Executive and other Boards on shared policy interests.

Local Government Finance

Further Business Rates Retention

3. Over the last year members of the Resources Board, with the Business Rates Retention Task and Finish Group, have been involved in developing the LGA's policy on the Government's proposals for further business rates retention. This has included responding to three consultations on the proposals. The LGA has been successful in influencing Government policy on the reform in a number of ways including:
 - 3.1 A commitment that responsibility for funding Attendance Allowance from additional business rates income was no longer being considered as part of the reform;
 - 3.2 A clause in the Local Government Finance Bill to allow the Government to compensate authorities for losses due to successful valuation appeals;
 - 3.3 the removal of the role of LEPs in approving the infrastructure supplement; and
 - 3.4 a commitment from the Secretary of State for Communities and Local Government to work with the LGA to help tackle the extreme business rates avoidance.
4. We held a lively and engaging Resources Portfolio Forum in July 2016 for finance portfolio holders in member authorities, and a highly successful round of regional consultation events in August and September 2016 on the DCLG consultation on business rates retention and call for evidence on needs. A subsequent round, on the second DCLG consultation on the reforms, was held in March and April 2017. In total over 500 councillors and officers from member authorities attended the twelve regional events.
5. The Bill legislating for the reforms did not complete its passage before the general election and was not re-introduced in June's Queen's Speech. The LGA will be working with DCLG officials to explore ways in which the reforms can be progressed without immediate primary legislation.

Adult Social Care Funding

6. The Board, together with the Community Wellbeing Board, continued to contribute to the LGA's campaign for appropriate funding for adult social care, securing further flexibilities on the adult social care council tax precept and a £2 billion funding package for adult social care announced as part of the Spring 2017 Budget.

Business Rates Reliefs

7. In the Spring Budget 2017 the Government announced a £300 million discretionary business rates relief fund over four years to support businesses facing the steepest rise in their bills following the

reevaluation. Local authorities have been given the power to design individual schemes, recognising that councils are best placed to determine how reliefs should be targeted and administered, a principle that the LGA has long argued for.

Consultations and Events

8. Over the last year the Board and lead members have approved consultation responses on a variety of local government finance issues, in addition to business rates retention. We also held a successful annual finance conference, '2020 Vision', in January 2017, attended by over 100 people.

Welfare Reform

9. The Board continued to support and secure an effective working relationship between councils and the Department for Work and Pensions during the transition to Universal Credit, including at the most senior levels in local and national Government.
10. We have worked with the sector, the Department for Communities and Local Government and the Department for Work & Pensions (DWP) to look at new models for funding Supported Housing, and have secured an extension to the exemption of Supported Housing from the caps on housing benefit. The Board has continued to lobby for a lift in the freeze in the Local Housing Allowance rate and exemption for all Temporary Accommodation, and has secured an exemption for Emergency Accommodation.
11. We have continued to make the case for integration of a wide range of services around low income households to ensure that they are able to both contribute to and benefit from local growth, and continue to work with DCLG's Troubled Families programme and DWP's social justice directorate to shape and influence policy in this area.
12. We have maintained dialogue and continued to hold DWP to account on the treatment of debt during the transfer of responsibility for housing costs from councils into the Universal Credit programme.
13. We have maintained a resource on LG Inform to enable councils to understand and respond to the impact of reforms in their local area; commissioned and delivered revised research on the cumulative impact of welfare reforms on places and households to inform lobbying, policy development and local best practice; and commenced research on the true costs of HB administration in partnership with DWP and the other LG associations to make the case for no further reductions to the HB administration grant.

Workforce

14. The Board has commissioned and published a major study from New Local Government Network on the changing employment "deal" in local government, and published a new suite of benchmark role profiles for care commissioning and other job families, agreed jointly with the trade unions.
15. We have provided support and advice to help Councils resolve complex employee relations cases relating to senior managers and have completed a successful pilot version of the LGA Come Back to Social Work programme.
16. We have continued to deliver DMA and HR reviews for councils, to support and improve structures, policies and processes, and arranged a national conference on "developing OD practice to support transformation programmes" attended by 40 councils.

17. Worked with councils to implement flexible working in order to promote better recruitment, retention, leadership, engagement and inclusive growth. The Nottinghamshire councils have completed the programme and will become a Flexible Hiring region at the end of this year.
18. Continuing to assist authorities to develop pension fund pooling proposals that meet Government objectives in particular the provision of an effective communications and feedback channel between authorities and Government at both political and offer level.
19. The Board has taken a lead role in influencing the FCA to achieve a workable opt up regime for authorities who run LGPS pension funds, and has agreed and implemented a Code of Transparency for LGPS investment management costs and charges, which was welcomed by the FCA as 'pioneering' in the sector.

Future of Funding Currently Sourced from the EU

20. This year, the Resources Board has ensured that local partners continue have a strong role in EU funding for growth and jobs, and that EU funding is delivered in line with local plans and local advice.
21. Throughout the year, the LGA's representatives Cllr Philip Atkins (Staffordshire County Council), Cllr Sir Albert Bore (Birmingham City Council) and Cllr Ian Stewart (Cumbria County & South Lakeland District Councils) together with Cllr Roger Philips have ensured strong local representation on the national committee for European structural investment funds, and continue to maintain close, constructive, and sustained engagement between the LGA and government departments in the for the remainder of programming period.
22. Alongside this, work led by Resources Boards EU Funding task group chaired by Cllr Clarence Barrett (Havering LBC), has helped ensure that Government commits to a fully-funded growth scheme to promote prosperity in local areas once we are no longer beneficiaries of EU funding.
23. The LGA's iteration of the risks associated with a 'no future funding' scenario was widely accepted, as all main UK political parties published manifestos which explicitly recognised these risks and made various commitments to successor arrangements.
24. The Conservative party manifesto announced that Government will introduce a 'Shared Prosperity Fund' as a successor to EU funding to promote economic growth and reduce inequalities between communities across the UK. The announcement included a specific commitment to design the fund in consultation with local government.
25. Local areas in England, together with the devolved administrations in Scotland, Wales and Northern Ireland had been set to receive a total of £8.4 billion from the EU Structural and Investment Funds allocations for the period 2014-20. Based on work led by the board, the LGA are pushing for clear guarantees to protect the full amount of this type of investment, to protect local regeneration plans, flagship infrastructure projects, employment and skills schemes and local growth in our communities, are now essential.

Programme of Work and Priorities 2017/18

Local Government Finance

26. As noted above, following the Queen's Speech, we will be working with DCLG officials to explore ways in which further business rates retention reforms can be progressed without immediate primary legislation. We will continue to make the case that additional revenue from further business rates

retention should be used to ensure that existing council services are properly funded, rather than for additional responsibilities. We estimate an overall funding gap of £5.8 billion for council services by 2019/20.

27. The fair funding review does not require legislation and we will continue to engage with DCLG and local authorities on this.
28. We will continue to engage with DCLG on business rates avoidance, following the commitment by the Secretary of State and the Local Government Minister Marcus Jones to work with the LGA on this issue. We will also engage with any proposals for wider reform of business rates brought forward by the Government.
29. We will continue to collaborate with the Community Wellbeing Board to make the case for additional funding for adult social care to address the estimated £2.3 billion funding gap by 2019/20, as well as engaging in discussions over longer-term reforms to the system.

Welfare Reform

30. Deliver a programme of work in response to the findings in our reports on the cumulative impact of welfare reform. This will include:
 - 36.1 Continuing to lobby for a life in the LHA freeze and review of Housing Benefit, including a shift of emphasis on to the creation of genuinely affordable housing, and increasing income from employment;
 - 36.2 Continuing to make the case for devolution of employment and skills support for the most disadvantaged jobseekers;
 - 36.3 Proposals for the design of a properly recognised and adequately resourced local safety net, including a review of Discretionary Housing Payment and Universal Support and closer integration with key Government programmes including Troubled Families and social justice; and
 - 36.4 Work with Public Health colleagues on food poverty and health inequalities.
31. Completion in September 2017 of the review of the costs of housing benefit administration to inform future funding and secure effective recognition of the longer-term role of councils in benefits administration.
32. Continue to ensure that challenges arising from the implementation of Universal Credit are recognised and funded, and that councils have both the information and the funding to support claimants

Workforce

33. As part of the Workforce work stream, the Board's priorities for 2017/18 will include:
 - 39.1 Further work on addressing the challenge of the National Living Wage both through guidance to councils and the development of a new national pay spine;
 - 39.2 Concluding work through the National Joint Council on broadening the role of firefighters;
 - 39.3 Developing a refreshed national workforce strategy for local government;
 - 39.4 Developing a suite of Employer Standards for Public Health, modelled on the Social Work Standards;
 - 39.5 Developing the second phase of the Come Back to Social Work programme;
 - 39.6 Agreeing a way forward with DfE and DCLG to ring-fence local taxpayers from pension liabilities in the academies sector; and

- 39.7 Work to develop an agreement between employer and scheme members appropriate to the outcome of the LGPS cost management process.

Future of Funding Currently Sourced from the EU

34. The Board's priority for 2017/18 will be to take forward a strong ask to the new government that EU funding successor arrangements should enable a radical and ambitious reworking of all local regeneration funding into a single pot arrangement, that affords maximum flexibility to target need and tailor support where it has best impact.

Financial Implications

35. All work programmes are met from existing budgets and resources.