

Resources Board – report from Cllr Claire Kober (Chair)

1. As this is my first report since becoming Chair of the Resources Board in September, I would like to start by paying tribute to the work of the predecessor Boards for championing the issues of local government finance, welfare reform, workforce and EU funding as part of the previous governance arrangements.
2. I am delighted to be chairing the Board and am looking forward to the challenge of leading on these crucial areas; drawing on the wealth of expertise of fellow Board members – many of whom were part of the predecessor Boards – as well as working with the wider LGA membership as we seek to further consolidate and advance local government's interests in these areas. Below is an update on the latest developments that have taken place summer recess.

Local Government Finance

Council tax discounts to volunteers

3. As part of the *100 Days* campaign, we have called on all national political parties to include a pledge in their 2015 General Election manifestos to fund the setting up of a new volunteering scheme to support voluntary work across the country through council tax discounts. Estimates suggest that if government was to establish a £50 million start-up fund, 500,000 volunteers could be offered a discount of 10 per cent on their council tax bill next year, in return for helping the public purse save many millions more.

Adult Social Care and Care Act funding

4. The LGA has helped to develop a modelling tool which allows councils to predict the likely costs of implementing the various Care Act reforms. This was circulated to all social care authorities in July and the Department for Health (DfH) is collecting the data to act as a check on the adequacy of funding allocations. Based on the latest available data, the LGA also reworked its "*ready reckoner*" tool which gives each council indicative allocations of the individual elements of the adult social care new burdens funding to assist councils in their financial planning.

Briefings and consultation responses

5. The LGA has submitted a response to the Government's consultation on local audit regulations. Officers also produced on-the-day briefings on the consultation on distributing Care Act new burdens funding and other funding consultations, including the technical local government finance settlement consultation and will be responding to the consultations in due course. These documents can be found on the LGA website: <http://www.local.gov.uk/finance>.

Independent Commission on Local Government Finance

6. The Commission continues to hold meetings and review evidence received from various stakeholders. To ensure the best possible response rate, the call for evidence was extended from 19 August to 3 September. Of the 39 responses so far, 6 are from police or fire authorities, 21 from other local authorities and 14 from representative bodies. The Commission will issue an interim report in the autumn, with the final report to follow in early 2015.

Municipal Bonds Agency

7. On 17 July, following the receipt of intentions to invest from 33 councils totalling £3.5 million, the LGA Executive agreed that the Municipal Bonds Agency project should continue into full mobilisation and approved the full commitment of the LGA's intended investment of £500,000 in

an equity stake in the Agency. Owing to a number of requests from councils for an extension to the first phase investment deadline, the deadline was extended to the end of August. At the time of writing, 36 councils have submitted intentions to invest from a cross section of councils. The project is well on the way to reaching the £8-10 million needed to get the Agency off the ground and cover operations with a sensible buffer until it is scheduled to break even after about three years.

8. An interim team has been hired and work to develop the Agency's processes and procedures has begun. There is still plenty of time for councils to invest in the Agency, with the final deadline for committing to an investment being the end of the year. Work is now also underway to identify borrowers from for a first bond issue in March/April 2015.

EU Funding Update

9. LGA elected members have been continuing to press Ministers and their officials for councils, Local Enterprise Partnerships (LEPs) and other local partners to have maximum influence over what, how and when the devolved £5.3 billion European Structural and Investment Funds (ESIF) for 2014-2020 are deployed.
10. Last month, the LGA Chairman, Cllr David Sparks OBE, took his seat on the ESIF shadow national Growth Programme Board (GPB) alongside fellow LGA representatives Cllrs Sir Albert Bore (Birmingham) and Cllr Ian Stewart (Cumbria CC). The GPB bring partners together to work with the Government and the European Commission to put arrangements in place for the new programme. Our members work closely with LEP Network representatives including Cllr Sir Richard Leese (Manchester) and Chris Pomfrett (LEP chair, Cornwall and the Isles of Scilly).
11. The aim now is to ensure the LGA has oversight on all final decisions, so the promise to devolve is not lost in translation in the system's final programme design. On 22 August, the Chairman wrote to the Rt Hon Greg Clark MP, the new minister responsible for the funds. He highlighted progress made to date and issues which need resolution before the funds go live next year, such as ensuring LEPs and local partners' functions are adequately resourced through area-based Technical Assistance and that decision making on the design, commissioning and procurement of activity are made locally by local sub-committees rather than by Whitehall. The letter can be found on the LGA website: <http://www.local.gov.uk/eu-policy-and-lobbying>.

Welfare Reform

Universal Credit

12. In early July, Cllr Sparks OBE met with Lord Freud to continue the lobbying work LGA has been doing around the implementation of Universal Credit (UC). Cllr Sparks has been keen to reiterate the central role councils will have working with the Department for Work and Pensions (DWP) locally to provide a package of support for UC claimants. Lord Freud welcomed Cllr Sparks continued commitment to work in partnership with the DWP.
13. In August, Cllr Sparks spoke at the launch event for the successful councils which are going to be part of the UC trailing and testing programme. The trials will be partnerships between jobcentres and local authorities across Great Britain. They will look at the best way to prepare claimants for the world of work by helping them with online access and digital support, and

managing their finances on a monthly basis. Further details on the successful councils can be found on the LGA website: www.local.gov.uk/web/guest/welfare-reform.

Workforce

Local government services

14. The National Joint Council (NJC) Joint Secretaries met on 21 August. All parties would like to bring this year's pay dispute to an end as quickly as possible. The Joint Secretaries share a resolve to create a positive and constructive environment for the future work of the NJC. The Joint Secretaries will be meeting again on 11 September.

School Teachers

15. The National Employers' Organisation for School Teachers submitted a response to the School Teachers' Review Body's recommendations in respect of the 2014 pay award. The response can be found on the LGA website: www.local.gov.uk/web/guest/workforce-education-and-young-people or by contacting anita.jermyn@local.gov.uk.
16. The 2014 School Teachers' Pay and Conditions Document containing the latest changes to teachers' pay and conditions of service has been published and will come into force on 1 September.

Fire

17. Agreements have been reached on pay by the separate negotiating bodies that cover from firefighters to senior managers within the fire service. The agreements will keep increases within the 1 per cent limit anticipated by the sector.
18. Firefighters who are members of the Fire Brigades Union continue to undertake industrial action as part of its dispute with the Department for Communities and Local Government (DCLG) on pension scheme reform. DCLG has announced an Independent Review into terms and conditions of firefighters to senior managers in England. The review is due to report by February 2015.

Pensions

19. The LGA responded to DCLG's 'LGPS Scheme Governance' consultation in August. The consultation included draft regulations on the requirements from 1 April 2015 for new local pension boards as well as the creation of a national Scheme Advisory Board for the LGPS. You can read the response in full on the LGPS regulations website: www.lgpsregs.org.
20. A publication on '*Public Health in the 21st Century: Organising and managing multidisciplinary teams in a local government context*' has been launched. It is the result of considerable joint work over the past few months between PHE, LGA, ADPH, PPH and Unison. The document examines the range of skills needed to carry out public health functions and looks at where those skills might be found. The publication can be found here: www.gov.uk/government/publications.
21. Modernising Pay and Rewards: the LGA has teamed up with Mercer Consulting and the PPMA to produce a new toolkit which looks at the key issues of redesigning jobs to increase efficiency and linking pay to performance. The toolkit is a companion to the LGA's own research report on

pay progression in local government and both can be downloaded at the website (<http://www.local.gov.uk/workforce-local-government>) along with other material on a strategic approach to pay and rewards.

Contact officers: Michael Lockwood / Michael Coughlin

Position: Interim Executive Director of Local Government Finance and Policy / Executive Director of Workforce, Leadership and Productivity

Phone no: 020 664 3109 / 3067

E-mail: Michael.Lockwood@local.gov.uk / Michael.Coughlin@local.gov.uk