

Note of last Resources Board meeting

Title: Resources Board
Date: Tuesday 2 March 2021
Venue: Online 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 members to the meeting and gave a brief reminder to etiquette and best practice in remote meetings. There were no apologies. The following declarations of interest were made: <ul style="list-style-type: none">- Cllr Erica Lewis (Labour) – Item 6- Cllr Roger Phillips (Conservatives) – Item 6- Cllr Amanda Serjeant (Labour) – Item 6- Cllr Sharon Taylor (Labour) – Item 6	
2	Local Government Finance Update The Chair invited Nicola Morton (Head of Programme, Local Government Finance) to discuss the paper. In her update, Nicola noted the following points: <ul style="list-style-type: none">- The Government published the final 2021/22 Local Government Settlement, which was largely in line with expectations.- The Business Rates Review final report was delayed until Autumn 2021.- Lead Members had approved submissions to the Treasury Select Committee review of the Green Book and the Housing, Communities & Local Government Select Committee review on financial sustainability.- All members would receive a copy of the Spring Budget On-the-Day Briefing. In the subsequent discussion the members raised the following points:	

- A view was expressed regarding the level of funding for local government for COVID-19. It was felt that the total cost of the COVID-19 pandemic to local authorities could be staggering, with greater remuneration needed given the vital role played by councils. Nicola responded that the LGA had been working very closely with MHCLG to monitor this and is calling for the Government to compensation authorities for all costs and income losses..
- It was asked whether the LGA had information on cuts to services and savings plans for 2021/22. Sarah explained that such research hasn't yet been conducted but could be considered.
- Another query was raised on the treatment of climate change and community wealth building initiatives in the Green Book. Bevis Ingram (Senior Adviser) explained that while this isn't covered in the Green Book it is addressed in detail in the supporting guidance.

Decision

The members of the Resources Board noted the report.

3 Support for Low Income Households

The Chair invited Rose Doran (Senior Adviser) to provide a verbal update on recent activity. Rose noted the following points:

- HM Treasury had agreed additional funding to the end of June 2021 to support Self-Isolation Payments and the discretionary fund available to local authorities. Additional monies for parents and carers.
- Working alongside the Community Wellbeing Board on non-financial support for Self-Isolation. Attempts were ongoing to bridge work being conducted by MHCLG and DHSC ahead of a review of schemes in May 2021. Rose added that an update would be available to lead members following a meeting with DHSC on 4/3/21.
- A six month extension to the £20 per week increase in basic Universal Credit payments was to be announced in the Spring Budget.
- A further £50M funding was being made available to the Winter Support Grant extending the programme to Easter 2021.
- Discretionary Housing Payment was being discussed with DWP ahead the next spending review.

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

- Concerns were expressed with perceptions of the Self-Isolation Payments, where it was felt the level of support was insufficient to provide real security to lower earners. Rose responded noting that

wider structural conversations were required regarding the Government's approach to the welfare system and the burden administration for Self-Isolation Payments falling on to local authorities.

- Potential issues around eligibility for Discretionary Housing Payments were noted where an individual was not eligible for Universal Credit.
- A view was expressed that the temporary £20 per week uplift in the rate of Universal Credit payments should be made permanent.

Decision

Members of the Resources Board noted the update.

4 CIPFA Consultation on the Prudential Code

The Chair invited Bevis Ingram (Senior Adviser) to discuss the paper. In his summary, Bevis noted the following points:

- Members were asked to provide a steer to inform the LGA response to the Prudential Code and Treasury Management consultations being run by CIPFA.
- Prudential Code consultation is looking at changes to the code that explicitly prevent local authorities borrowing money to make commercial investments that are primarily to make a return. The review is in response to a Public Accounts Committee report on local authorities' commercial investments.
- The Treasury Management consultation includes the proposal to create of a dedicated committee to oversee complex treasury management arrangements. Other proposals included strengthening the skills and knowledge of relevant authority members on treasury management functions.

In the subsequent discussion the members raised the following points:

- There were several comments on the proposed creation of treasury management committees. Members were broadly opposed to the creation of further dedicated management bodies at a local authority level. It was felt that existing structures for audit and scrutiny were suitable to provide oversight.
- Comments were made in favour of further training for officers and members on scrutiny and audit committees to support effective treasury management.
- Concerns were expressed over the role of CIPFA in some of the proposals in the consultations. It was felt that as a trade body CIPFA was not the appropriate body to impose some of the proposed requirements through the proposed changes to the Prudential Code.
- Several members suggested that there was limited evidence to

justify significant changes to borrowing practices. While it was recognised that a small number of councils had pushed boundaries in their investment strategies, commercial investments were an important means for authorities to raise funds and stimulate local regeneration.

- Members also noted concerns with the complexity of reporting processes, it was felt that increasing the burden of evidence and tightening regulations could further stretch officers.

The Chair summarised the discussion, noting that members were broadly in agreement to oppose further changes to the Prudential Code and the creation of Treasury Management Committees.

Decision

The members of the Resources Board noted the report.

Action

Officers to draft responses for clearance by Lead Members.

5 New Homes Bonus Consultation

The Chair invited Hannah Donnelly (Finance Policy Team) to discuss the paper. In her summary, Hannah noted the following points:

- The consultation was seeking views on reform of existing elements of the New Homes Bonus (NHB) and the potential addition of new conditions. These changes included an increase to the existing baseline threshold over which payments for new homes are made, as well linking the Bonus to the proposed new Infrastructure Levy, the use of Modern Methods of Construction and maintaining an up-to-date local plan.
- The consultation confirmed the ending of legacy payments after 2022/23 – the remaining year with previous legacy payments attached – and did not seek views on this. It was not clear from the consultation what the Government intends to do with savings made from removing the legacy payments.

In the subsequent discussion the members raised the following points:

- Concerns were noted with the proposed use of Modern Methods of Construction as a qualification for payment. It was felt that design principles and sustainability were more appropriate, and the conditions of the Bonus should only be factors that councils have control over.
- It was suggested that current threshold and proposal to increase it may be seen to reinforce already overinflated markets.
- It was recognised that the LGA may not wish to enter the debate on the tier split.
- A suggestion was made around linking the Bonus to the Government's net zero carbon target and ensuring that homes and

housebuilding deliver against the climate change agenda.

The Chair summarised the discussion above and noted that the funding for the Bonus was top sliced and any savings from changes should be given back to local government, questioned the incentivisation effect of the threshold, and recognised the importance of an affordable housing incentive.

Decision

The members of the Resources Board noted the report.

Action

Officers to proceed in line with members comments.

6 Workforce Update

The Chair invited Naomi Cooke (Head of Workforce) and Jeff Houston (Head of Pensions) to introduce the update.

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

Decision

The members of the Resources Board agreed to:

- End the LGA's formal membership of CEEP UK in line with officers' recommendations
- Note the update.

Action

Officers to proceed in line with members comments.

7 EU Funding Update

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

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

Decision

Members of the Resources Board noted the update.

8 Minutes of the previous meeting held on 14th January 2021

The Chair asked members to approve the note of the previous meeting as an accurate record.

Decision

The members of the Resources Board agreed the note of the previous meeting on 14th January 2021 as an accurate record.

9 Any Other Business

The Chair announced that he will be stepping down from the Board at the end of the 2020/21 meeting cycle and thanked members for their work and cooperation. Each political group noted their thanks to the Chair.

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 Roger Phillips	Herefordshire Council
	Cllr Richard Wenham	Central Bedfordshire Council
	Cllr Sharon Taylor OBE	Stevenage Borough Council
	Cllr Bev Craig	Manchester City Council
	Cllr Terry Paul	Newham London Borough Council
	Cllr Erica Lewis	Lancaster City Council
	Cllr Amanda Serjeant	Chesterfield Borough Council
	Cllr Peter Marland	Milton Keynes Council
	Cllr Adam Paynter	Cornwall Council
	Cllr Phelim MacCafferty	Brighton & Hove City Council
Apologies	Cllr Peter Jackson	Northumberland Council
In Attendance		
LGA Officers		