

Resources Board – Report from Cllr Pete Marland (Chair)

Local Government Finance

2022 Autumn Statement

1. The Chancellor of the Exchequer presented his [Autumn Statement](#) to Parliament on 17 November and we issued a [press release](#), and a [briefing](#) summarising the key announcements impacting councils and giving an initial LGA view. The announcements included an additional £2 billion of grant in 2023/24 and £3 billion in 2024/25 for social care. Many of the 2023/24 financial measures impacting councils have fed through into the Provisional Local Government Finance Settlement for 2023/24.
2. The [draft 2023 non-domestic rating list](#) reflecting the 2023 revaluation was also published on 17 November. The Government announced that the business rates multipliers would be frozen at their 2022/23 level, that there would be additional reliefs for retail, hospitality and leisure and certain small businesses, as well as transitional relief for businesses to moderate the increases due to revaluation. Local government will be fully compensated for these measures.

2023/24 Provisional Local Government Finance Settlement

3. On 19 December, the Secretary of State for Levelling Up, Housing and Communities, published the [Provisional Local Government Finance Settlement 2023/24](#). This followed a [Written Ministerial Statement](#) and a [policy paper](#) the previous week setting out the Government's intentions for the local government finance settlement for the next two years.
4. The Government figures indicate that Core Spending Power will rise by an average 9.2 per cent in 2023/24. In our [media response](#) we said that the increase in local government core spending power will help councils deal with inflationary and other cost pressures they face but noted that underlying and existing pressures remain for councils and many still face significant challenges when setting their budgets and trying to protect services from cutbacks. We also noted that shire district councils will also see a lower core spending power increase next year, which is something the Government should address in the final settlement. The Government also confirmed that the Review of Relative Needs and Resources and a reset of accumulated business rates growth will not be implemented in this Spending Review period. [Our On-the-Day Briefing](#), which was sent to member councils, summarises the key announcements for councils and provides an initial LGA view. Our [response](#) to the Government's [consultation](#)

[on the Settlement](#) was cleared by the Chairman, Group Leaders and Resources Lead Members.

Campaigning activity

5. The LGA campaigned heavily in advance of the Autumn Statement and the provisional local government settlement to maximise visibility of key messages and facts, highlighting in particular the impact of existing cost pressures and the risks of spending cuts. Our objectives were to ensure the threats to local government remained high on the political agenda and in the news cycle, and to identify and work with the sector and partners to raise our voice collectively on this issue.
6. Highlights include:
 - the [Save Local Services campaign](#);
 - the [LGA's submission to the Government](#)
 - Letters to the new Prime Minister and [Chancellor](#), Secretaries of State and other new ministers highlighting our key Autumn Statement asks.
 - Numerous interviews of senior LGA politicians on broadcast media programmes;
 - Extensive coverage of our lines in the national media – including broadcast;
 - Explaners on [cost pressures](#), [reserves](#), and how [council funding is spent](#);
 - Extensive engagement with parliamentarians including parliamentary questions, and briefings ahead of debates and select committees.

2023 Local Government Finance Conference

7. On 10 January I chaired the LGA local government finance conference at Smith Square, the first in person finance conference since 2019. Speakers, at the sold out event, included Lee Rowley MP, Parliamentary Under Secretary of State (Local Government and Building Safety); Sarah Owen MP, Shadow Minister for Local Government and Faith; and Cllr James Jamieson, the Chairman of the LGA as well as senior officers from the sector, Government officials and economists from the Institute for Fiscal Studies.

Local Audit

8. We had further discussions with DLUHC and CIPFA about the ongoing delays to finalising accounts due to the issue with infrastructure assets (this is just one of many factors contributing to audit delays). In December, CIPFA and DLUHC

published an [update to the accounting code](#) and a [statutory override](#) to the Capital Finance and Accounting Regulations to provide a temporary solution (until 2024/25) to the infrastructure assets problem. This should now enable completion of many of the 2020/21 accounts that had been stalled and allow finalisation of the 2021/22 accounts to progress. Resources Board Lead Members approved a [response](#) to a [very quick consultation](#) supporting the action, prior to the override being made.

9. Public Sector Audit Appointments (PSAA) [published](#) the [2022/23 audit fee scale](#). The scale fees are in line with the proposals in the [consultation](#) that was undertaken in September. We supported the proposed approach in [our response](#), which was cleared by Resources Board. Members also stressed the need for good communication with councils and other opted in bodies on fee levels and PSAA have responded positively to this request. These are the last set of fees to be set under the contract that runs from 2018/19 to 2022/23; a [new contract](#) will come into effect from 2023/24.

IFRS 9

10. Ministers have decided to extend the existing International Financial Reporting Standard 9 (IFRS 9) statutory accounting override for a further 2 years until 31 March 2025. The override means that councils do not have to reflect nominal (or “paper”) fluctuations in the values of pooled investment funds in their revenue accounts and so don’t have to cover these with real money in the short term. The decision to extend the [statutory override](#) follows a [consultation](#) earlier this year. In our [response](#) to that consultation, which was cleared by Resources Board, we argued that as a minimum the statutory override should be extended, though preferably it should be made permanent. We expect DLUHC to publish the full response to the consultation early in 2023.

Support for low income households

11. At the September Board, Resources Board members identified the benefits of joining up work across the LGA on the role of councils in supporting households impacted by the rising cost of living.
12. We continue to add new case studies to our Cost of Living Hub and to support sector-led improvement and learning through regular webinars and events. We have also set up a member advisory group, comprising members from across the Boards.
13. Government is providing £1bn for the Household Support Fund in 2023/24. We have worked closely with councils and government on the design and delivery of local crisis support to date, and we continue to make the case for immediate support to be integrated with a more strategic long-term approach to strengthening financial resilience. The LGA Chairman met with Department for Work and Pensions minister Mims Davies

MP in January to share the sector's views on ensuring local flexibility, and to make the case for sustainable long-term funding.

Workforce Update

Local Government Pay

Local government services ('Green Book') pay 2022-23

1. The national employers made a one-year final offer to deliver a £1,925 increase on all NJC pay points, an increase of 4.04 per cent on allowances (both effective 1 April 2022), an increase of one day to all employees' annual leave and the deletion of NJC pay point 1 (these latter two points effective 1 April 2023). The NJC has also agreed to enter into discussions on homeworking policies, mental health support and maternity etc leave.
2. The local government trade union consultation period closed in October 2022. UNISON (65 per cent to 35 per cent) and GMB (67 per cent to 33 per cent) both accepted the National Employers' final offer. However, Unite rejected it (78 per cent to 22 per cent).
3. The full Trade Union Side met on Tuesday 1 November 2022, at which they discussed the results of their respective consultations and reached a collective agreement, given that a majority of the Trade Union Side (GMB and UNISON) was in favour of accepting the employers' final offer. Pay circulars were issued to all councils and the increase, plus back pay to 1 April 2022, came into effect in December 2022.
4. As it did last year, Unite declined to have its details included in the circular because its members voted to reject the employers offer. Although national ballots for strike action in England, Wales and Northern Ireland were ruled out, Unite does intend to launch local campaigns to secure pay increases and improved terms and conditions.

Local Authority Craftworkers ('Red Book') Pay 2022-23

5. Agreement has been reached on rates of pay for local authority craftworkers applicable from 1 April 2022, which will see an increase of £1,925 on basic salary and 4.04 per cent on allowances.
6. For those employees who are currently paid specific annual salaries, the pay award is as follows:
 - £1,925 on Building Labourer grade (equivalent to NJC SCP2)
 - £1,925 on Heating & Ventilation Mate grade (equivalent to NJC SCP3)
 - £1,925 on Building Operative grade (equivalent to NJC SCP3)
 - £1,925 on Plumber grade (equivalent to NJC SCP4)
 - £1,925 on Engineer & Electrician grade (equivalent to NJC SCP5)
 - 4.04 per cent on all allowances

7. These increases continue the principle agreed by the JNC in the 2016-18 agreement to align the five Craft Grades to current pay points 2, 3, 4 and 5 on the NJC 'Green Book' pay spine.

Local Authority Chief Officers and Chief Executives

8. Agreement was reached on rates of pay for all Chief Officers and Chief Executives in November 2022. The final offer made by the National Employers of a £1,925 increase on basic salary for both Chief Officers and Chief Executives, backdated to 1 April 2022 was accepted.

Youth and Community Workers: Pay 2022

9. The National Employers have made a final, one year pay offer to the Staff Side for 2022, as follows:
 - An increase of £1,925 on all pay points with effect from 1 September 2022.
 - An increase of 4.04% on all allowances with effect from 1 September 2022.
10. Following a consultation the Staff's Side agreed to accept the offer.

Soulbury Officers: Pay 2022

11. The National Employers have made a final, one year pay offer to the Officers' Side for 2022, as follows:
 - An increase of £1,925 on all pay points with effect from 1 September 2022.
 - An increase of 4.04% on all allowances with effect from 1 September 2022.
12. The Officers' Side rejected this offer in December 2022. The National Employers will be meeting early in the New Year to decide on next steps.

Coroners' Pay 2022

13. Following consultation, the management side of the Joint Negotiating Committee for Coroners made an offer to increase local salaries and day rates for individuals, derived from the JNC arrangement, by 1.56 per cent (with effect from 1 April 2022). Members will now consider the position of the Officers' Side (representing coroners), which is to reject the offer.

Firefighters' Pay

14. The National Employers for UK Fire and Rescue Services made an improved offer of 5 per cent on all basic pay rates and Continual Professional Development (CPD) payments for uniformed fire and rescue service employees. This improved offer, which was more in line with offers/settlements made elsewhere in the public sector since the original fire offer, followed further consultation with Fire and Rescue Authority Chairs, Chief Fire Officers and police, fire and crime commissioners.

15. The National Employers had sought additional funding in England from the Home Office, but this was refused, as currently have other forms of suggested future financial support.
16. The Fire Brigades Union (FBU) consulted members on this proposal in October and November 2022. In line with the recommendation of its Executive Council, FBU members voted to reject the pay offer.
17. The FBU is currently balloting its members about taking strike action in support of its pay claim. The ballot closes on 30 January. [Agreement](#) has already been reached through the UK-wide National Joint Council for Local Authority Fire and Rescue Services that would provide for striking FBU members to be able to respond to any major incidents. Doing so now, in advance of knowing the outcome of the ballot, assists local planning in case it should result in strike action.

Schools

Teachers' Pay 2022

18. After completing its consultation to obtain stakeholder views to inform the national employers' position, NEOST submitted its response to the government's consultation on the proposed 5 per cent pay award for teachers for 2022 in September.
19. Headlines of the government proposal include the five per cent increase on all pay ranges, allowances and advisory points, with higher increases for early career teachers as part of the process to move starting pay to £30,000 by 2023. The highest increase is 8.9 per cent on the bottom point of the Main Pay Range in England (equating to a starting salary of £28,000).
20. The School Teachers' Pay and Conditions Document was published on 13 October and came into force on 4 November, with pay backdated to 1 September 2022.
21. The National Education Union (NEU), NASUWT, the Teachers' Union, and NAHT, the School Leaders' Union are currently balloting teaching staff on potential industrial action. The ballot processes for all three unions are expected to close early in the New Year.

Consultation on Administrative Controls Process for Public Sector Exits

22. In September, the Government published a consultation on proposals to introduce a new administrative controls process for public sector exit payments over £95,000 and to amend the existing process for special severance payments (those in excess of an employee's statutory or contractual entitlements).
23. We addressed two issues in the consultation in our response. The first concerns the proposal that existing employers should consider placing repayment obligations on exiting employees in certain circumstances and that they should apply to "*an appropriate scope of new employment, with clear justifications given. This might cover return to the same employer or overall central government sector or*

compensation scheme operator (e.g. the Civil Service, the NHS), or extend more broadly across central government.”

24. Although the consultation does not indicate that repayment obligations should apply to new employment with a local government body, we indicated that it should be made expressly clear that any repayment obligations must not be applied in this circumstance since local government bodies are outside the scope of the proposals. This is particularly important considering the acute recruitment difficulties in the local government sector, as repayment obligations could in some cases place a limit on the pool of available recruits. Although not within the scope of this consultation, we also indicated that those difficulties should be taken into account should consideration be given to applying repayment obligations on the local government sector at a later date.
25. The second issue we addressed in our response concerned the definition of the bodies in scope for the control process, calling them to be listed in full rather than using broad generic categories where it was not always clear whether a body was in scope.

Social Work Health Check

26. This year's Social Work Health Check was launched in October with over 150 councils and external organisations currently contributing to the survey.
27. The survey is intended to support the delivery of effective social work, identify key issues, enable social workers to feel that they are listened to and allow the development of a national and regional picture of the 'health' of the social work profession in England.

Occupational Therapy Check-in

28. We launched the first national check-in survey for Occupational Therapists (OTs) in October. The survey has been developed by OTs for OTs and will support the profession by listening to OTs, identifying key issues and allowing the development of a local, national and regional picture of occupational therapy in England.

Annual Apprenticeships Survey 2022-23

29. Our fifth annual apprenticeships survey launched in November and closed in early January with over 150 councils taking part. The survey is targeted at council apprenticeship leads and HR teams and provides valuable data, insights and understanding about use of apprenticeships within the sector, including key information on starts, use of the apprenticeships levy and maintained schools.
30. For the first time we will be providing every participating council with an individual report, offering benchmarking data and an assessment against the LGA's Apprenticeships Maturity Model, our tool to help councils assess where they are in their apprenticeships journey.

31. Alongside the organizational survey, we also ran for the first time a health and wellbeing survey of apprentices in the sector. This will provide key insights into apprentices in councils, how they are supported, why they chose a career in local government, as well as important demographic data.
32. National results from both surveys will be published in National Apprenticeship Week (6-13 February) with individual reports issued to councils from mid-February.

Additional bank holiday 8 May 2023

33. The NJC for local government services has issued guidance on working arrangements on the additional bank holiday in honour of HM The King's Coronation, which includes updated Green Book Part 4.12 guidance on how Term-Time Only employees' pay and leave should be amended to take account of the bank holiday.

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