

Resources Board – report from Cllr Claire Kober (Chair)

Local Government Finance

Autumn Statement Submission

1. The Board at its meeting on 17 October will be asked to agree the LGA's Autumn Statement submission to HM Treasury. Our submission is more streamlined than in previous years and focuses on a clear list of "asks," to enable local government to contribute to growth, empower communities and give local government the flexibility to respond to changing circumstances. The proposals in the submission are largely drawn from the *First 100 Days* campaign. The submission can be found at <http://www.local.gov.uk/finance>.

Sector-led improvement offer

2. In conjunction with Improvement and Innovation Board colleagues, the Resources Board will be considering the measures being taken by the LGA to analyse and improve financial sustainability within councils, and proposals for future work in this area. Earlier this month we relaunched the popular "spidergram" tool to help councils assess their relative financial sustainability. More information on our improvement offer can be found at <http://www.local.gov.uk/sector-led-improvement>.

Consultation responses

3. The LGA has now responded to the consultation on distributing Care Act new burdens funding and the technical local government finance settlement consultation. These documents can be found at <http://www.local.gov.uk/finance>.

Independent Commission on Local Government Finance

4. The call for evidence is now closed. The commission saw a good response rate from a range of stakeholders both within and outside local government. The Commission issued its interim report this month, which poses a series of challenging questions for the sector and beyond. The Commission's final report will be published in early 2015. More detail, and the interim report itself, can be found on the Commission's website: <http://www.cipfa.org/iclgf-home>.

Municipal Bonds Agency

5. The first equity raise was successfully concluded at the end of September with 38 councils joining the LGA to commit just over £4.5 million to the establishment of the Municipal Bond Agency. This takes us half way to our target of £8million - £10 million and the important process of attracting councils to invest in the second equity raise and be borrowers from the sale of the first bond is now well underway.
6. Meanwhile the process to recruit the first Board of Directors has begun and the small interim team, hired over the summer, is working to design the processes and procedures to operate and conduct the business of the company. This includes the design and trialling of a simple, transparent, but robust credit scoring process to ensure the credit worthiness of potential borrowers and to underpin the overall credit rating of the Agency itself.

EU Funding Update

7. With four months to go before the delayed live running of £5.3 billion European Structural and Investment Funds (ESIF) for 2014-2020, through the national ESIF Growth Programme Board,

LGA elected members and Local Enterprise Partnership (LEP) Network members continue to press Ministers for local partners in the 39 LEP areas to have maximum discretion over how and when the devolved funds are deployed. Funds include European Regional Development and Social Funds (ERDF and ESF). Importantly the LGA negotiated for local partners to have a significant role in the funds over Government and its agencies, and secured a dual key so that no project can be funded without local partners' consent.

8. At the last Board meeting on 23 September, LGA member Cllr Ian Stewart (Cumbria CC) and LEP Network business representative Chris Pomfrett (Cornwall and the Isles of Scilly) raised a number of serious questions about the direction of European Commission-UK Government negotiations, which could compromise the local governance arrangements. The LGA and LEP Network members have made clear to the Government that keeping these intact are critical for us to have confidence in the overall programme. A joint letter from the LGA Chair, Cllr David Sparks, and Alex Pratt, Chair of LEP Network, to the Rt Hon Greg Clark MP and Lord Ahmad of Wimbledon, captures the most recent discussions. The letter can be found at <http://www.local.gov.uk/eu-policy-and-lobbying>.

Welfare Reform

Universal Credit

9. Cllr Sparks has been speaking with Lord Freud about the Department for Work and Pensions (DWP) proposed accelerated roll out of Universal Credit. From February 2015, Universal Credit will start to roll out across the country for single claimants. During conversations Cllr Spark has taken the opportunity to flag up that the roll out should not put local councils under unnecessary pressure. The opportunity should be taken to use the national roll out to further test out elements of Universal Support (formerly known as Local Support Services Framework). Cllr Sparks has been invited to take part in the formal launch event for the Universal Credit trialling programme at Lewisham Council on 5 November.

Workforce

Local Government Services

10. Councils will be aware of the Employers' original offer in March and of further discussions with the unions that led to a possible pay proposal, the headlines of which were set out in our letter of 26 September to Chief Executives. At the time of writing there is uncertainty as to position being taken by individual unions, but councils will continue to receive updates on developments via the regional employer organisations and the LGA website.

Pensions

11. The LGA are working with the Pensions Regulator and the Department for Communities and Local Government (DCLG) to develop detailed guidance to assist councils in setting up and participating in new governance arrangements for the Local Government Pension Scheme. We are confident that the governance regulations will see our efforts to remove the proposal that elected members should be restricted to serving only as 'other' members of local pension boards and not as employer representatives as having been successful.

School Teachers

12. September 2014 was the first opportunity for schools to apply differentiated pay progression for teachers. The LGA will be collecting information on numbers of pay appeals, reasons for them

and outcomes, although our understanding is that generally schools are taking a cautious approach to applying the new flexibilities.

13. The School Teachers' Review Body has received a remit to consider the September 2015 pay award, specifically: *What adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders to reflect the average of up to 1% pay award for public sector workers.* The LGA is consulting authorities and will submit a National Employers' Organisation for School Teachers (NEOST) response by the closing date of 31 October. We anticipate stronger than ever union opposition to a 1% cap.

Fire

14. DCLG has commissioned an Independent Review into terms and conditions of firefighters to senior managers in England. The review is due to report by February 2015. A copy of the joint submission from the Fire Service Management Committee and the LGA's lead representatives who sit on the Employers' Side of the National Joint Councils (NJC's) can be found on the LGA website: <http://www.local.gov.uk/fire-and-rescue-services>.

Decision Making Accountability (DMA) tool

15. The Workforce team have continued to deliver DMA in a growing number of councils. The approach not only creates an efficient management structure but empowers employees within their roles.

Single Fraud Investigation Service (SFIS) Staff Transfer – Priority 3

16. The rolling transfer of local authority staff to the DWP for the national SFIS services has now begun but with a number of outstanding issues to be discussed and agreed at the national contact group set up at the insistence of the LGA. Although the transfers are taking place under the COSOP principles, designed to give TUPE-like protections for staff on their contractual terms and conditions, DWP has shown a continuing reluctance to accept that what are regarded as standard terms in local government are indeed contractual. Discussions are on-going also on a fair comparable pension offer to staff who are joining the civil service scheme.
17. Meanwhile, the Crown Prosecution Service (CPS) which is taking over benefit fraud cases has refused to apply COSOP at all and does not propose to transfer the small number of affected staff. The LGA objects strongly to this approach, and is in continuing discussion with CPS, reserving the right to take further action.
18. So far, this major reorganisation – a precursor to the wider Universal Credit system - cannot be seen as an example of good practice and LGA will continue to press the case for fair treatment of staff.

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