

Resources Board – report from Cllr Claire Kober (Chair)

1. It's been a busy few months since my last report, with key Government announcements such as the Chancellor's Autumn Statement and Local Government Finance Settlement, as well as plenty of internal activity including the LGA's Finance Conference and second meeting of the Board.

Local Government Finance

Autumn Statement

2. The Chancellor of the Exchequer delivered his 2014 Autumn Statement on 3 December. The LGA provided an on-the-day briefing on the key announcements relevant to local government, and has been following up with departmental officials on the detail. The Chancellor did not announce any further cuts in local government funding for 2015/16 in addition to those already announced, but the outlook remains tough with public spending in 2019/20 set to drop to 35.2 per cent of Gross Domestic Product (GDP), the lowest proportion for 80 years.

Local Government Finance Settlement

3. Following the announcement of the Local Government Finance Settlement for 2015-16 on 18 December, the LGA issued an on-the-day briefing. Lead Members of the Board cleared the response which was submitted to the Department for Communities and Local Government (DCLG) on 15 January. Areas particularly highlighted were: business rates appeals; local welfare support cuts; and local council tax support. The final settlement is expected in early February and the LGA will issue a briefing for the debate in Parliament.

Annual Finance Conference

4. On 6 January 2015, I chaired the LGA's annual Finance Conference, this year titled *Looking Ahead*. The event was a great success, with more than 100 delegates in attendance for keynote addresses from Cllr David Sparks OBE, Kris Hopkins MP, Right Hon Hilary Benn MP and Darra Sing (Chair of the Independent Commission on Local Government Finance). There were opportunities to discuss the local government finance settlement for 2015/16, challenges and opportunities local government is facing in the next Parliament, and visions of how the sector could be funded in the future.

Council Tax Support: The story continues

5. The conference also saw the launch of our latest publication on council tax support, which received good press coverage both in the local government press and national media. Last year's interim report highlighted the £1 billion gap in funding and the lack of transparency in funding arrangements for local schemes. This latest report confirmed these findings and, based on a survey of finance directors we undertook in late 2014, analysed some of the impacts to date on councils and their residents, and the potential future impacts of continuing reductions. It calls on the next Government to fully fund council tax support, to make transparent the funding allocations for councils, and to allow councils more freedom in designing local schemes and over the council tax system in general.

Municipal Bonds Agency

6. Having met the objectives of mobilisation and following a promising start to the second equity raise, the December Executive agreed that the Municipal Bonds Agency should move into launch. This enables the Agency to become an independent entity with its own governance, and accountable for its success to its council and LGA shareholders. The process of recruiting the first Board of Directors, which will be composed of individuals with the skills and credibility to

ensure the Agency is successful, is now well underway. The first landmark in the launch phase will be an initial bond issue. The business case envisaged such an issue taking place at the end of the first quarter of this year or at the beginning of the second quarter.

EU Funding Update

7. The LGA and Local Enterprise Partnership (LEP) Network have issued a joint letter to Her Majesty's Government (HMG) on the rationale for Limited Intermediate Body status on selection of projects as well as produced a detailed note on how those functions could be carried out (available here: <http://www.local.gov.uk/eu-policy-and-lobbying>).
8. Government have advised they are minded to continue to use the LGA/LEP Network - HMG agreed business process (which provides for a strategic role for local partners) as the basis for negotiation with the European Commission on local governance arrangements. However, HMG have so far not provided clear detail on the exact text they are using despite numerous requests from LGA and local partners.
9. The live running of the programme is now significantly delayed, with the bulk of commissioning not expected to start until mid-2015. Cllr Phillips (Deputy Chair) attended the most recent meeting of the National Growth Programme Board on 9 December as part of a local contingent of LGA and LEP Network representatives. At the meeting, which was attended by Lord Ahmed (DCLG Parliamentary under Secretary of State with responsibility for European programmes), LGA members continued to push for the primacy of local partners and their local sub-committees to remain intact to make decisions on the design, commissioning and procurement of activity.
10. On 12 December 2014, Cllr Sue Murphy (Lead Member for EU Funding) met with Lord Ahmed along with LEP representatives. The delegation pushed the Minister for a swift decision on whether there will be a requirement to re-procure Financial Instruments in the new programmes, as well as discussing the timescale for the programmes going live and Intermediate Body status within the context of the wider devolution agenda.

Welfare Reform

11. The LGA Chair, Cllr David Sparks OBE, chaired a conference on *Councils, Communities and Universal Credit* at local Government House on 12 January 2015. Over 100 local authority delegates attend the event, which featured a keynote address from Lord Freud MP, Minister for Welfare Reform. The conference was preceded by a private round table session between the Minister and Lead Members from the first tranche of councils to progress the national roll-out of Universal Credit in February.

Workforce

Senior Managers

12. An offer has been made that covers the two negotiating bodies that relates to Chief Executives and Chief Officers. It is 2 per cent on guaranteed FTE basic salaries of £99,999 or less (as at 31 December 2014) with effect from 1 January 2015. No offer has been made to those earning £100,000 or more. The offer covers the period to 31 March 2016. We are awaiting a formal response from the relevant union sides.

School teachers

13. The School Teachers' Review Body (STRB) has received a remit to consider 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 per cent pay award for public sector workers, to apply from September 2015. The LGA submitted a National Employers' Organisation for School Teachers (NEOST) response and followed this up with oral evidence in December. The review body must report by February 2015.

Soulbury and Youth & Community Workers

14. At the time of writing, the details of pay offers to be made to both of these groups are under consideration. It is likely that offers will be made during January.

Fire Service

15. Adrian Thomas - who is leading the independent review into the conditions of service of chief fire officers and firefighters and the processes by which they are determined to consider whether they present barriers to reform, improvement and efficiency – attended the meeting of the Fire Services Management Committee in December and met with the National Employers' Chair on two occasions to date. The LGA submitted a response to the review, which is due to report back to DCLG in February.

Local Government Pension Scheme (LGPS)

16. On 5 December 2014, the DCLG issued a consultation on some technical amendments to the LGPS. The LGPS (Amendment) Regulations 2015 will amend both the LGPS 2013 Regulations and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. The consultation can be found here [technical-consultation-on-local-government-pension-scheme-rules](#)

LGPS Membership of the Public Sector Transfer Club

17. On 19 December 2014, the Local Government Pension Committee (LGPC) sent a letter to the Chief Secretary to the Treasury Danny Alexander MP regarding the LGPS's membership of the Public Sector Transfer Club. The letter outlined that the committee would support the LGPS continuing to provide club transfers in respect of final salary benefits and therefore requested that it remain part of the transfer CLUB for that purpose only. We now await a response from HM Treasury, at which point the LGPC Secretariat will update employers and LGPS pension funds.

Retention and career development of qualified social workers

18. In October, the LGA launched a number of documents and resources on improving social work retention and subsequently held a workshop with the Public Service People Managers' Association (PPMA) to discuss further work. One element of this will be a guide for members that will distils the key questions and learning from the existing suite of materials, provides quick access to resources, identify priorities for action and suggest key questions for them to ask in their councils. The document is now in first draft form and will be published shortly.

Local Government Careers Guide

19. The LGA has launched a new career guide aimed at encouraging young people to think about a career in local government. The guide – which can be accessed here http://www.local.gov.uk/web/guest/workforce/-/journal_content/56/10180/6502605/ARTICLE - describes the important work that councils do within the places that young people live, work, learn, socialise and exercise and highlights the huge variety of interesting and meaningful jobs that councils have to offer.



Councillors' Forum

22 January 2014

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