

Resources Board – report from Cllr Claire Kober (Chair)

1. With 3 months to go to the Local and General Elections, things continue to move apace in the world of local government finance. Recent weeks have seen the make-up of the local government finance settlement confirmed, the publication of the Independent Commission on Local Government Finance's final report, as well as a submission to Government on the 2015 Budget.

Local Government Finance

2. Local Government Finance Settlement: The final make-up of the local government finance settlement was announced on 3 February, with the only notable change being an addition of £74 million of funding for local welfare, health and social care allocated to upper-tier authorities. The LGA issued an alert to finance officers to inform of the changes.
3. Budget 2015: Fellow Board Lead Members and I cleared the LGA's Budget 2015 submission which was submitted to Government on 13 February. The submission calls on the Government to protect funding for local public services, such as social care and others. It also acts as a place marker for further lobbying work in the run-up to the Spending Review, setting out the LGA's position on devolution, economic growth, children's social care and education among other areas.
4. Future Funding campaign: The campaign to protect funding for local public services in the next Spending Review gathers pace, with a number of media releases and publications already launched and further activity planned for the coming months. Notable activity to date includes briefing MPs and Lords ahead of the local government finance settlement debate, as well as press releases on local authority reserves, social care funding pressures and columns in the trade press.
5. The Independent Local Government Finance Commission published its final report on 18 February. In it, the Commission set out plans for a 10 year programme of devolution that would see more than £200 billion in annual public expenditure being controlled by groupings of local authorities. The report can be downloaded from the Commission's website:
<http://www.cipfa.org/iclgf-home/documents/iclgf-final-report>.

Municipal Bonds Agency

6. The Agency completed its second equity raise at the end of February and is continuing its progress towards launching its first bond. Following a rigorous recruitment process, Sir Merrick Cockell has been appointed as Chairman of the Board of Directors and Adrian Bell its Vice Chairman. While Sir Merrick is well known within the local government, Adrian is formerly the Chairman of Royal Bank of Canada Europe Limited and now the head of Debt Markets for Canaccord Genuity in London. Recruitment of a further three non-executive directors is on-going.

EU Funding

7. Ministers committed to give strategic decision making powers to the 39 LEP areas over how, when and on what their share of England's 2014-2020 £5.3 billion European Structural and Investment Funds (ESIF) is spent. This followed successful LGA lobbying for EU funding allocations to be devolved in England, and for Brussels rules to bind national governments to work with councils on all aspects of EU funds, and greater devolution of funding through EU mechanisms.
8. However at recent Growth Programme Board (GPB) meetings - established to make decisions about the programme - Lord Ahmad confirmed his decision that local partnerships' role would be relegated from 'strategic' to 'advisory', with no guarantee that their work will be funded, and that

the LGA proposal for a small number of those partnerships to select projects was rejected. LGA elected members on the GPB - Cllr David Sparks (Chairman), Cllr Ian Stewart (Cumbria), Cllr Roger Phillips (Herefordshire) and Cllr Sir Albert Bore (Birmingham) have consistently made the point that these decisions fall short of previous Ministerial commitments, do not meet the European Commission's own ambition for a "simpler, more local" programme and are out of step with Growth Deals and devolution to other parts of the UK.

9. The LGA Chairman wrote to Communities Secretary Eric Pickles plus other Ministers to set out our disappointment about the decisions, the unintended consequences on growth, and for a reversal of decisions. No response has been received. The issue has mobilised a cross party effort of LGA elected members to persuade Ministers to reverse the decisions. An LGA parliamentary question has also been submitted on the issue. An LGA press release is imminent.

Welfare Reform

10. Following lobbying from the LGA Chair and Resources Board, the Government announced an additional £74 million for local welfare and social care in 2015/16. The announcement came in the final Local Government Settlement and responded to concerns raised by the LGA and a range of charities about the impact of the proposed withdrawal of funding. The funding will help councils continue to provide a crucial safety net support to some of their most vulnerable residents.

Workforce

11. Senior Managers: Agreement has been reached on pay for 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 to 31 March 2016. No offer has been made to those earning £100,000 or more. An identical offer has been made to Chief Executives and is still under consideration by the unions.
12. Soulbury and Youth & Community Workers: An agreement has been reached with the Soulbury unions on pay for 2014-16. It involves an increase on all pay points of 2.2% from March 2015 (which is a delay of 6 months on the usual settlement date). The agreement runs to March 2016. An identical offer has been made to Youth & Community Workers on which the unions are currently consulting their members as the best that can be achieved through negotiation.
13. LGPS Governance Regulations and Local Pension Board Guidance: On 28 January 2015, the [Local Government Pension Scheme \(Amendment\) \(Governance\) Regulations 2015](#) were laid before Parliament. These regulations include provisions for new local pension boards, the Scheme Advisory Board at national level as well as provisions for the employer cost cap. In addition the Shadow Scheme Advisory Board (SSAB) of the LGPS in England and Wales issued guidance for Administering Authorities on the creation and operation of local pension boards. It was accompanied by a response to the consultation on the guidance held in autumn 2014 as well as a template terms of reference for a local pension board.
14. Relationship with Skills for Care: Skills for Care coordinate skills development for a vital segment of the local government workforce as well as for many organisations that we commission services from. Whilst there has been a good relationship at an operational level, the LGA is keen to strengthen the governance relationship, so we can ensure that sufficient attention is given to the needs of councils as the primary commissioners of services. From now on, relations with Skills for Care will be managed jointly by the Resources Board and Community Wellbeing Board.
15. Pay and Reward debate at the Councillors' Forum: The last meeting of the Councillors Forum saw a discussion on strategic pay and reward challenges, with a presentation two senior partners from Mercer Consulting. The report described challenges at every level of the pay structure from dealing with low pay to attracting professionals in the middle pay ranges and ensuring we have a

fair and transparent approach to top pay. The Employers' Side of the NJC will be seeking to further the debate in regional meetings based on the original Resources Board paper.

16. Social Work/Social Care Career: A guide for members focused on improving retention of qualified social workers has been developed with the Public Sector People Managers' Association (PPMA) and is now in production.
17. The LGA has agreed to sponsor a category award at the upcoming social worker of the year awards, as part of our campaign. The category has yet to be finalised in detail but will link to our theme of keeping experienced social workers in the workforce.
18. The workforce team is developing further benchmark social work role profiles to aid job evaluation and career development. The profile set will focus on new roles being developed as part of care responsibilities and roles inherited from the NHS.
19. Finally, the LGA is supporting a consortium of councils and ADASS bidding to develop an apprenticeship for family workers.

Public Health

20. Continuity of service: The LGA has recently issued a technical guidance note on the difficult issue of offering continuity of service, particularly for redundancy purposes. Although there are potential costs, most HR specialists consulted take the view that necessary recruitment can be hampered if specialists working in the NHS and PHE are reluctant to give up their service years when moving to local government. Full change would require alterations to the modification order and the Cabinet Office has not indicated a willingness to do this so far.
21. Public Health pay awards: Staff who transferred into local government in 2013 have no automatic entitlement to any further NHS pay awards under the current "static" interpretation of TUPE which means that only the terms at the point of transfer apply. They also have no automatic entitlement to the NJC award, unless they have been harmonised to local terms and conditions which hasn't happened as yet. The issue is now an active one for the unions and has been covered in the local government press. Further consideration will be given to the best advice to give councils on what has to be a local decision.
22. Family & Childcare Trust (FTC) partnership: The FCT will work alongside the LGA and representatives from councils across the UK to develop a set of family friendly guiding principles to support change programmes. These will not be prescriptive and will build on existing good practice in councils, but will aim to provide clear benefits in terms of recruitment and retention, performance and improved service user experience.

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