

## **Resources Board – report from Cllr Claire Kober (Chair)**

### **Local Government Finance**

#### Budget 2015

1. The Chancellor delivered the last Budget of the previous Government on 18 March. The LGA provided an on-the-day briefing, ran an online live blog reviewing the announcements and issued press releases reacting to key announcements. The LGA continues to build its position in advance of the revised Budget in July and the Spending Review later in the year. Members will be briefed on the announcements in the July Budget in due course.

#### Business Rates

2. The Lead Members of the Board and I cleared the LGA's report on the state of the business rate retention system, highlighting the financial consequences of the reform so far and gauging the views of councils about the system and how it can be improved. The report was published in March and called for additional protection of local government against old unresolved appeals and for steps to be taken to restrict new speculative appeals in the future.

### **EU Funding**

3. The LGA Chair, along with Cllr Ian Stewart (Cumbria) and Cllr Sir Albert Bore (Birmingham) attended the first European Structural Investment Fund (ESIF) Growth Programme Board (GPB) following the Local and General Elections.
4. Key updates included the confirmation of the new ministerial team dealing with European Funding for respective Government departments. The appointment of The Rt Hon Greg Clark MP is an opportunity to restate the case for giving Local Enterprise Partnerships (LEPs) and their partners the ability to decide how, when and on what their share of EU funding is spent. The Secretary of State is aware of our concerns, following his recent visit to the LGA.
5. The status of Local Co-Financing Organisations (CFOs) for ESF 2014-2020 was the key discussion point for this meeting. The LGA Chair argued strongly against the Government's decision to restrict co-financing organisation (CFO) status to national public bodies, and by exception only allow local public bodies to apply if the Government devolves national funding further. We do not believe it should be conditional, and felt that in general the approach was very much out of step with current Government's thinking on devolution. Local partners were invited to submit further written representation on this issue ahead of the next GPB meeting.
6. On the draft terms of reference which will define the future ESIF Programme Monitoring Committee (PMC), LGA representatives argued for greater oversight and approval of any changes which affect the local governance, or role of, local ESIF committees. We also noted our expectation that relevant Ministers attend future Board meetings.
7. Finally, the LGA called for the ESIF funding project selection criteria and final scoring methodologies to be reconsidered once the Operational Programmes are approved by the European Commission and the GPB makes a transition to full Programme Monitoring Committee.

### **Workforce**

#### Local Government Services

8. The National Employers have rejected an additional pay claim from UNISON for 2015/16 which was lodged on 22 April.

Senior Officers' Discipline Procedures

9. Shortly before the general election, the last administration introduced the Local Authorities (Standing Orders) (England) Amendment Regulations 2015. These regulations amend the process that needs to be followed to dismiss a local authority's head of paid service, monitoring officer and section 151 chief finance officer. The regulations removed the previous statutory need for an independent person to carry out an investigation into an issue which could lead to the dismissal of one of the above officers, and replaced it with the requirement to appoint an independent panel which would provide advice to the authority.
10. The introduction of the regulations causes issues due to the fact that there is very little time to prepare for the change (which has to be implemented by the first ordinary meeting after 11 May 2015) and the many unanswered questions which the amendments posed. The LGA has produced an [Advisory Bulletin](#) to provide advice to local authorities on implementing these changes, and how they would relate to the current independent person disciplinary process which is contained in most chief executives', and some other senior officers', contracts.

School Teachers

11. The National Employers' Organisation for School Teachers has agreed a [response](#) to the Department for Education on the School Teachers' Review Body's recommendations on teachers' pay from September 2015.

Freedom and Choice and the Local Government Pensions Scheme (LGPS)

12. The 'Freedom and Choice' pensions reforms announced last year took effect on 6 April 2015. Whilst LGPS members cannot access these freedoms direct from the LGPS, Scheme members can transfer their benefits to other pension schemes that do and changes have been made to the rules governing transfers from the LGPS to ensure members are fully informed before making their decision. A technical guide and Q&A documents for scheme members, employers and pension funds have been published on the [LGPS Regulations website](#).

Teachers' Pension Scheme

13. A new Teachers' Pension Scheme came into effect on 1 April 2015; teachers' pensions are now calculated on a career average basis with members' normal pension age linked to state pension age. The new scheme will not apply to all members as transitional protections are in place for those closest to retirement. Further information can be found: <https://www.teacherspensions.co.uk>

Firefighters Pension Scheme

14. On 1 April 2015 the new Firefighters Pension Scheme was introduced. This new Career Average Revalued Earnings (CARE) scheme, with an accrual rate of 1/59.7<sup>th</sup> of pensionable pay and normal pension age linked to state pension age is introduced following Lord Hutton's review into Public Service Pension Schemes. The new scheme will not apply to all firefighters as transitional protections are in place for those closest to retirement. There has been a wealth of information posted under the [knowledge hub](#), with a range of materials designed for communicating the new scheme to Firefighters'.

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