

Resources Board End of Year Review and Stocktake

Purpose of report

For information and discussion.

Summary

As part of the LGA's corporate governance arrangements, all Boards are required to reflect upon the preceding twelve months in terms of what has been achieved, progress against plan, what went well and lessons learnt.

This report provides an overview of the issues and work the Resources Board has overseen during last year, set against the priorities it agreed at the start of the meeting cycle in September 2014.

It also provides a stocktake of work to-date and provides some suggested areas of focus for the next 12 months. Members' views are sought to inform the development of the Board's work programme for the 2015/16 meeting cycle.

Recommendations

That the Resources Board:

- i. reviews its work and achievements over the past year and consider lessons learned and any improvements it would wish to make; and
- ii. provides a steer regarding the priorities for the Board's 2015/16 programme of work.

Action

Officer to progress as directed by members.

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Resources Board End of Year Review and Stocktake

Background

1. The Resource Board was formed in 2014 by combining the remits of the former Workforce Board, Finance Panel and the finance elements of the European & International Board.
2. The Resources Board provides strategic oversight of the LGA's policy, regulatory and improvement activity in relation to: Local Government Finance; Welfare Reform; European Structural Investment Funding and Workforce issues.

2014/15 Meeting Cycle

3. At its first meeting on 17 October, the Board agreed its priorities for the year, which were structured into 5 areas, each with a elected member lead as follows:
 - 3.1. Local Government Finance Cllr Claire Kober
 - 3.2. Workforce Cllr Roger Phillips
 - 3.3. Welfare Reform Cllr Claire Hudson
 - 3.4. Municipal Bonds Agency Cllr Clarence Barrett
 - 3.5. EU Funding Cllr Sue Murphy
4. The Board's work programme is set out below, with progress made during the 2014/15 meeting cycle set against each work area.
5. Members are invited to reviews the Board's work and achievements over the past year, consider lessons learned and suggested improvements. Additionally, the Board's views are sought on suggested areas of focus for the next 12 months to inform the Board's 2015/16 work programme.
6. In considering the focus for the local government finance and welfare reform work streams for 2015/16, Members may wish to refer to the Work Plan Priorities report that the Board agreed at its most recent March meeting. This report provides a more detailed overview of future priorities for the year ahead for these two areas. The report is available here:
<http://lga.moderngov.co.uk/ieListDocuments.aspx?CId=251&MId=440&Ver=4>.

WORK STREAM: WORKFORCE

2014/15 Priorities		2014/15 Achievements	2015/16 Milestones
Pay negotiations	Primary responsibility for negotiations lies with the various employers' sides but the Board will receive updates on all negotiating groups and provide comments and. The key challenges are to ensure the relevance of national bargaining and to help in developing modern, flexible terms of employment.	<ul style="list-style-type: none"> Successfully concluded pay agreement running to April 2016. 	<ul style="list-style-type: none"> About to commence consultation and discussion on pay beyond April 2016 and develop a fresh set of priorities for the National Joint Council.
Pensions	Reform of the pension system is continuing and the Board will receive regular updates and be invited to discuss development.	<ul style="list-style-type: none"> Implemented new Local Government Pension Scheme benefit and governance structure. 	<ul style="list-style-type: none"> Assisting authorities with the financial and resource implications of the ending of pension schemes contracting out as a result of the new state pension.
Strategic pay issues	Local Government has challenges around the low paid, effective recruitment of key professionals and probity in senior pay all of which will be the subject of Board discussion.	<ul style="list-style-type: none"> Continued to monitor adoption of the Living Wage within the sector and issued guidance to councils on it. 	<ul style="list-style-type: none"> Working with research team to carry out data gather on senior management pay within the sector. Continue to gather intelligence on the Living Wage. Work with CLG to ensure that proposals to claw back public sector exit payments develop in a fair way with minimal bureaucracy.
Social work career development	Support the work of the task-and-finish group looking at improving the recruitment and retention of social workers.	<ul style="list-style-type: none"> Published a well-received guide for members on social work recruitment and retention. 	<ul style="list-style-type: none"> Continue to develop a campaign around social work recruitment and retention.
Workforce dimensions of public service reform	The reorganisation and integration of many services, especially in health and social care brings many workforce challenges over fairness in terms and conditions for example and the workforce team continues to focus on these.	<ul style="list-style-type: none"> Delivered six Decision Making and Accountability (DMA) reviews for councils and identified £2m worth of savings. Delivered a well-received series of pilot talent management programmes for Public Health in partnership with Public Health England. Research completed into the 	<ul style="list-style-type: none"> Working with policy team to deliver a better coordinated national offer on the adult social care workforce in partnership with ADASS and Skills for Care. Research into the HR & OD implications of delivering local government services

		<p>HR & OD implications of delivering local government services through new organisational models, leading up to a well-received national conference.</p> <ul style="list-style-type: none"> Delivered consultancy services and maximising income opportunities with income exceeding £600k. 	<p>through next generation shared services.</p> <ul style="list-style-type: none"> Running a pilot programme for 6 councils on Innovative flexible working practices with Timewise.
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LOCAL GOVERNMENT FINANCE

Priority		2014/15 Achievements	2015/16
A fair settlement for local government	The LGA will produce submissions, and seek to influence, the 2014 Autumn, the Chancellor's Budget, and the first Spending Review of the next Government (2015).	<ul style="list-style-type: none"> Produced and promoted the LGA's corporate submissions to the 2014 Autumn Statement, the 2015/16 Local Government Finance Settlement and the March 2015 Budget. Launched and continue to promote the LGA's 'Future Funding' campaign which builds a case for local government funding in advance of the Spending Review and beyond. Continue to engage with member councils in policy development and information sharing through stakeholder groups. Held the annual local government finance conference in January 2015. 	<ul style="list-style-type: none"> Continue work on the Spending Review. To highlight the positions set out in '<i>A Shared Commitment: Local Government and the Spending Review</i>' which will be used as a basis for further conversations with government and stakeholders in the run-up to the announcements in the autumn. This will be followed by further work on the Autumn Statement and the LGFS in late 2015.
	The LGA will respond to the 2015/16 Local Government Finance Settlement and publicise the impact on authorities.		
	The Future Funding Outlook model will be refreshed for 2015 to: reflect Government announcements and changing economic conditions; set out the true impact of on-going austerity and growth pressure on local government; and aid councils' financial planning		
<i>First 100 Days</i> document as they relate to local government finance	Supporting place-based finance as the "default delivery mechanism" by providing analysis and insight on the potential financial benefits, and outlining how the money flows would work in practice.	<ul style="list-style-type: none"> Launched '<i>A Shared Commitment: Local Government and Spending Review</i>' which is the LGA's position statement in advance of the Spending Review and includes finance-related asks many of which were part of the '100 days' report. As part of the 2015/16 settlement, secured simultaneous publication of local service budgets (eg. CCGs). The government also committed to exploring 	
	Providing financial analysis to support the LGA's call for further devolution.		
	Support for improved financial distribution arrangements, replacing		

	<p>financial distribution by Ministers with an independent distribution body.</p> <p>Developing methodology for new budget arrangements linking to the life of the Parliament.</p> <p>Other <i>First 100 Days</i> activities that emerge following national and local debate.</p>	<p>long-term settlements for health and local government services.</p>	
Independent local taxation	<p>Updating our reviews of Business Rates Retention and Council Tax Support for the second year, identifying and lobbying on areas where the system should be improved.</p>	<ul style="list-style-type: none"> • Published 'Council tax support: the story continues' and 'Business rate retention: the story continues', which examined how implementation of these April 2013 reforms develops and what can be done to make sure that they continue in a sustainable and predictable way. • Responded to the government's consultations on business rate reform, arguing for changes to the tax system which would make it more predictable and locally administered. 	<ul style="list-style-type: none"> • Business rate review. Government is expected to announce its proposals by Budget 2016 and work will continue to get the best deal for local government which would put the finance system on a more sustainable and predictable basis.
Sustainable funding for service delivery and investment	<p>Ensure that on-going reviews of adult social care funding and education funding reflect the LGA's values and agenda; continuing to lobby for new burdens funding for welfare reform, the Care Bill and other significant issues increasing costs to local authorities; whilst also recognising and helping to manage the increased financial risk to local authorities from such reforms.</p>	<ul style="list-style-type: none"> • Together with the CWB Board participated in discussions with government on sustainable implementation of Phase 1 of the Care Act, with on-going conversations in relation to Phase 2, integration with health and the Spending Review set to continue further. • Continued discussions with DWP over the roll out of the Single Fraud Investigation Service and the associated assessed New Burdens payment to councils. • Commenced discussions over financial costs to councils of the roll out of Universal Credit. 	<ul style="list-style-type: none"> • Social care funding and integration with health. This continues to be an important policy area, with Resources and CWB elements and will require continued cross-Board working in the next political cycle.
The Independent Commission	<p>Continue to provide secretarial and administrative support to</p>	<ul style="list-style-type: none"> • Provided support to the ICLGF, which published its final report in February 	

for Local Government Finance (ICLGF)	the Independent Commission for Local Government Finance.	2015. Many recommendations of the report have been taken forward as part of 'A Shared Commitment' while others are being analysed – for example the proposals due to be presented in the seminar following the meeting of the Board.	
Municipal Bonds Agency (MBA)	The Board will be provided with periodic updates on progress with establishing the MBA.	<ul style="list-style-type: none"> The MBA was successfully launched and become an independent entity: Local Capital Finance Company. 	<ul style="list-style-type: none"> NA – Local Capital Finance Company is now an independent entity.

WORK STREAM: EU FUNDING

2014/15 Priorities		2014/15 Achievements	2015/16 Milestones
EU Structural Funds for 2014-20	<p>England's £5.3 billion European Structural and Investment Fund (ESIF) programme for 2014-2020 is set to be major source of local regeneration funding to stimulate growth and employment in our towns and cities over the next seven years.</p> <p>The LGA will be at the forefront of efforts to ensure arrangements are designed and agreed in a way that delivers Ministers' commitment to devolve and allow local areas to have real influence over spending decisions.</p>	<ul style="list-style-type: none"> Successful LGA lobbying initially committed Government to much greater levels of local control and decision-making for local partners. The LGA pushed as far as it could in making the case for allowing local areas to have real influence over spending decisions; however central Government's decision in February 2015 to limit local partners' role to 'advisory' and place funding decisions in the hands of Whitehall officials has undermined local confidence in the programme. LGA members have led efforts to scrutinise Ministers' decisions on the National Growth Board, worked with sector to continually put forward solutions to Whitehall obstacles, forged alliances with LEPs and others to speak with one voice. Influenced outcome of ESF programme by ensuring local government priorities including in fundable 	<ul style="list-style-type: none"> It is anticipated that as part of the July Budget, some areas will be awarded freedoms and flexibility to manage EU programmes as part of wider devolution deals. With the programme going fully operations in summer 2015, the LGA will maintain pressure on central government to ensure that the powers and freedoms granted to the selected English local areas are given to all other areas that wish to have them. Ensure strong local government representation at future European Programme Management Committee (PMC) meetings and relevant policy and operational delivery Sub-committees during operational phase of EU Structural Funds and during the review of governance arrangements.¹

¹ The Government have agreed to review the position on the governance model in the next twelve months and has agreed to work with local partners during this time to develop proposals for greater local responsibility.

		<p>interventions.</p> <ul style="list-style-type: none"> • Kept LGA lines firm, with and public correspondence and press receiving significant media attention. • Commissioned research on effectiveness of model for economic development. • Launched the “2014 – 2020: A guide to EU funding for councils” publication in July. 	
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WORK STREAM: WELFARE REFORM

2014/15 Priorities		2014/15 Achievements	2015/16 Milestones
Welfare Reform and Universal Credit (UC)	Ensure that councils have a central role in the design, delivery and implementation of Universal Credit.	<ul style="list-style-type: none"> • Secured opportunity to directly impact on the UC programme via place on Business Design Authority and Programme Board. This has involved helping to shape key documents such as TOM, national rollout preparation. • Delivered the trials programme which has now been further extended to enable councils to directly impact on UC design. • Worked with councils and DWP to deliver national rollout of UC. • Published reports on the Universal Credit local authority pilots. • Held a national conference on UC attended by the Minister for Welfare Reform (December 2014). 	<ul style="list-style-type: none"> • Clarify funding for delivery of USdI. • Develop vision for what benefits services look like in the future.
	Press for councils to have a central role in the commissioning and delivery of support for skills, work readiness and employment to ensure that Universal Credit can deliver on its stated aim of improving work incentives and employment outcomes.	<ul style="list-style-type: none"> • Successfully delivered series of ESF UC pilots with councils which have delivered real examples of councils getting harder to reach groups back into work. • Published guidance on UC and the European Social Fund March 2015. • Developed a wide ranging offer for the incoming Government on how it can design more effective, locally commissioned employment and skills 	<ul style="list-style-type: none"> • Reform of Work Programme / Work Choice to more closely reflect local needs. • Develop a follow on from <i>Realising Talent</i> to model a devolved employment support programme for people who face multiple barriers to employment. • Work with DWP and One Public Estates team to deliver further co-location and integration of Jobcentre

	<ul style="list-style-type: none"> provision. Worked with leading think tank and advisory group of councils to produce a series of 3 reports called 'Realising Talent' including: <i>Employment and skills for the future</i>; <i>Realising Talent for Everyone</i>; and <i>A new framework for devolved employment and skills</i>. The report recommendations have traction with Ministers, with discussion still ongoing. Working with ERSA, employment provider network, to develop and align thinking on how to ensure more effective relationships between providers & councils locally. 	and council sites.
Ensure that councils are supported with local implementation and managing the wider impacts of welfare reform.	<ul style="list-style-type: none"> Successfully lobbied for government to reverse its decision around Local Welfare Assistance securing £74million. Published report on Local Impacts of Welfare Reform. 	<ul style="list-style-type: none"> Emerging detail on £12 billion cuts (from 08/07/15 onwards).
Ensure that the council role in Housing Benefit administration during and beyond Universal Credit roll out is appropriately recognised and resourced.	<ul style="list-style-type: none"> Got DWP to deliver UC data sharing regulations. Secured key role for Partnership Forum to work with DWP to shape future housing benefit administration. Agreed a process with DWP for analysing future of housing benefit administration including membership of working group to agree all key figures. 	<ul style="list-style-type: none"> Fully funded and negotiated package for housing benefit administration within local government. Clear indication of what future housing benefit administration will look like and phasing of client base.
Work to understand and manage the implications for the housing market; continue to press for greater freedom and flexibility for councils to address the undersupply of appropriate, affordable housing with Environment, Economy, Housing&Transport Board.	<ul style="list-style-type: none"> Secured involvement of LGA in proposals for the extension of Right to Buy (RTB) to RSLs. Prepared an internal report on the impact of reforms to date on HB, housing costs and broader housing market to inform current and future lobbying and policy design. 	<ul style="list-style-type: none"> Extension of RTB to RSLs. Proposals and timescales for further cuts to HB / restrictions on access to social housing.

Financial Implications

7. All work programmes are met from existing budgets and resources.