

## **Work Programme Priorities for 2015-16 and working with other Boards**

### **Purpose of report**

For discussion and decision.

### **Summary**

This paper seeks members' views of the priorities for the Resources Portfolio work programme for 2015-16 and outlines the LGA-wide priorities that the Leadership Board has requested Boards/Portfolios develop.

In breakout sessions, Members are asked to shape and develop the Portfolio's priorities and contribution to the cross cutting LGA-wide priorities.

### **Recommendation**

That the Resources Portfolio agrees its work programme for 2015/16.

### **Action**

Officers to develop work programme as directed by the Members in the themed breakout workshops.

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## Resources Work Programme Priorities for 2015-16

### Background

1. At the start of each political cycle, members are asked to consider the policy priorities for the work programme for the coming year. In making these decisions, members are asked to consider two issues:
  - 1.1. The work that the LGA Leadership Board has asked Boards/Portfolios to undertake based on the overall policy priorities of the LGA.
  - 1.2. Specific policy priorities based on the specific remit of this Portfolio.

### Work commissioned by the LGA Leadership from Boards.

2. As part of the recent member-led review of governance, the LGA Executive and Leadership Board have been asked to commission work from our Policy Boards/Portfolios where a clear corporate priority has been identified or where an important policy issue straddles more than one Board/Portfolio.
3. The Leadership Board met in July 2015 and agreed the following remit for the commissioning of policy work from Boards/Portfolios on behalf of the LGA Leadership:
  - 3.1. The Leadership Board's commissioning is related to the most important (current and future) issues for LGA membership.
  - 3.2. The issues commissioned cover the terms of reference of more than one Board/Portfolio.
  - 3.3. There will be a limited number of corporate commissions, no more than five.
  - 3.4. Boards/Portfolios will continue to set policy priorities based on their specific terms of reference. These will be reported back to the LGA Executive.
4. The following cross-cutting areas of work were agreed and are being commissioned from relevant Boards/Portfolios in 2015-16. Specific Boards/Portfolios have been asked to lead this work and they are indicated below.
  - 4.1. **Devolution and the future shape of local government**  
*To be led jointly by the City Regions and People & Places Boards, with any supporting evidence submitted to these Boards from other relevant Boards/Portfolios.*

The Cities and Local Government Devolution Bill will accelerate the pace at which groupings of councils develop bespoke devolution deals. At their

last meetings in the 2014-15 cycle, the City Regions and People and Places Boards considered future work where the LGA can add value. They suggested that more work needs to be undertaken on the models and mechanisms of future governance (including work on policing and fire). They also advocated that the evidence base which could support devolution deals was extended to new service area (from example, rural development). The Leadership Board has requested that this work should be new, commissioned externally and have a practical application in “devo deals”. There is also a political leadership role that is required to ensure that once the Bill is enacted, parts of Whitehall are voluntarily “letting go”. The LGA’s political lobbying will be a critical factor for success, as will partnership with business and other public service bodies, such as the NHS.

Making the case for greater local financial freedoms and fiscal autonomy needs to be maintained, building on the recommendations of the Finance Commission and the review of business rates. Though fiscal devolution is not an immediate offer from Government or national Opposition parties, it is very important that this debate has continued traction and that City Regions, People and Places and Resources members work together to scope activity in this area.

#### 4.2. **Housing**

*This work is to be led by the Economy, Environment, Housing & Transport Board (EEHT), with any supporting evidence submitted to EEHT from other relevant Boards/Portfolios. There should also be support from an independent advisory board of experts (to be developed by the Board).*

Addressing housing need was a clear priority at LGA conference from all political groups. Our recent work and evidence base has supported councils’ clear role to support residents in this area. Later this year, we will have a new Housing Bill (including the extension of the right-to-buy and the sale of high-value properties) where new local solutions are required, especially on finance. Through leadership of this debate, we have the opportunity to ensure that a much bigger agenda about place shaping is developed, focusing on issues such as skills, welfare reform, community safety and an aging population that are vital parts of delivering our housing ambition. Whilst we would commission new research, we would also draw on our existing work such as Hidden Talents which showed that empowered local government can deliver the local construction skills needed to be able to build the number of new houses required, and cross-board work which has considered the role of housing in supporting vulnerable adults. A clear steer from the Leadership Board was that the focus on housing needed to be clear, rather than a wider debate on infrastructure in general.

**4.3. Local Government Finance**

*This work should be commissioned from the Resources Portfolio, with support from all relevant Boards.*

Work will still need to continue on the spending review and subsequent local government finance settlements, into an even more difficult financial era. This work is well-established in the organisation and it should be an important continuing priority. In addition, there is a need for further policy development on financial devolution and fiscal autonomy. Work could also be undertaken to develop:

- New proposals, building on the work of the Independent Finance; Commission, to model how long term self-sufficiency for local government underpinned by fiscal devolution could work.
- Radical proposals to deal with business rate appeals to influence the national reviews in this area.
- Provide local government financial support to the other reviews into pertinent local government finance issues, such as reserves, adult social care and housing.

**4.4. Promoting health and wellbeing**

*This work should be commissioned from the Community Wellbeing Portfolio, with input from other relevant boards and potential wider contributions from think-tanks and other parts of the public sector including the NHS and Public Health England. It can draw on ongoing projects such as tackling Child Sexual Exploitation, Ageing and Skills which already operate across Boards/Portfolios.*

Continued moves towards an integrated health and care system remains at the top of councils and the Government's agenda, and getting these new arrangements right for councils and citizens remains a significant opportunity for the LGA. This work should: draw on the wider role of other local services such as schools, children's services, the fire service, public health, housing, transport and leisure; and play in promoting wellbeing across the life course and keeping people physically and mentally healthy, in work, and in their own homes. It should raise the profile of social care as an equal to the NHS, and build a business case for council-led investment as part of a much wider integrated approach to improve health outcomes and address health inequalities, as well as keep pressure off the NHS and other expensive services. This work should also consider the role of citizens and communities in supporting themselves and each other and promoting resilience and independence.

**Taking the LGA-wide work forward**

5. All lead Boards/Portfolios have been asked to detail the scope of the Leadership's request at their first meeting and to report back to the LGA Executive.

6. In 2016, it is intended that we could draw on all of these pieces of work to inform a more forward-looking vision for the future of local public services and the relationship with communities, perhaps for a launch at next year's annual conference.

**Work of relevance to the Resources Portfolio**

7. All Boards/Portfolios will continue to develop specific work within their policy areas, some of which may have cross-cutting elements.
8. In consultation with Lead Members, an outline work programme for each of the four Resources Portfolio work streams has been developed and is set out at **Appendix A**. As detailed under item 3, the four Portfolio areas are: Local Government Finance; Strategic Finance for Growth, Infrastructure and Devolution; Workforce; and Welfare. The suggested areas of focus within these overarching priorities are intended as a basis for discussion for Members to shape and refine in break-out sessions as part of the workshop.
9. All Members at the meeting will be asked to choose one of the four Portfolio areas to take part in a 45 minute break-out session to develop the suggested priorities into an agreed work programme and shape the Portfolio's contribution to the cross cutting pieces of work outlined in paragraph 4.

**Next steps**

10. Officers will develop the Portfolio's work programme in line with Members' direction at the workshop on 9 October.

## Appendix A: Suggested Work Programme Priorities

Work Stream: Local Government Finance	
Priority	Detail
<b>Fiscal devolution</b> <i>Link to City Regions and People &amp; Places Boards</i>	<ul style="list-style-type: none"> <li>• Further development of proposals of the Independent Commission on Local Government Finance.</li> <li>• Place based finance including sub-regional distribution / different geographies. Link to devolution proposals.</li> <li>• New sources of local funding (e.g. Stamp Duty).</li> </ul>
<b>Local Taxation</b>	<ul style="list-style-type: none"> <li>• Business rates:               <ol style="list-style-type: none"> <li>i. Appeals and avoidance</li> <li>ii. Tax setting freedoms</li> </ol> </li> <li>• Council tax including: council tax support; limits and referenda; revaluations etc.</li> </ul>
<b>Funding Outlook</b> <i>Link to all other Boards/Portfolios</i>	<ul style="list-style-type: none"> <li>• Best use of the public pound: links to other Boards on policy with financial implications (adult social care, public health and prevention, housing etc.).</li> <li>• Government set pieces: Autumn Statements, Budgets, Local Government Finance Settlements, local government finance reviews.</li> <li>• Incremental changes to the current local government finance system, including the use of reserves and our Future Funding Outlook model.</li> </ul>

Work Stream: Strategic Finance for Growth, Infrastructure and Devolution	
Priority	Detail
<b>Housing Finance</b> <i>Link to Environment, Economy, Housing &amp; Transport Board</i>	<ul style="list-style-type: none"> <li>• Housing Revenue Account (HRA) Cap.</li> <li>• Establishment of Housing Companies/vehicles outside HRA.</li> <li>• Local Government Develop.</li> <li>• Impact of rent reductions on Housing Development.</li> </ul>
<b>Infrastructure Finance/Local Growth Fund</b> <i>Link to Environment, Economy, Housing &amp; Transport Board as above plus, Cities Regions and People &amp; Places in the context of Devolution and Local Enterprise Partnerships.</i>	<ul style="list-style-type: none"> <li>• 'The Growth Pot', including: New Homes Bonus / CIL/s 106. Overcoming district vs county issues in 2 tier areas.</li> <li>• Explore potential new financial devices including "infrastructure revenue account" to mirror HRA.</li> <li>• School place funding (link Children and Young People Board).</li> </ul>

<b>Financing arrangements for One Public Estate Programme</b>	
<b>Capital Finance</b>	<ul style="list-style-type: none"> <li>• Developing new financing options, including linking to the Municipal Bonds Agency.</li> <li>• Explore how to support councils develop 'ready to go' investable projects.</li> <li>• Explore pros and cons of Pooled vs Project financing, including the importance of 'joint and several' guarantee and transferable models from outside the sector - i.e. Cambridge Colleges Finance model.</li> <li>• Explore how to support councils secure match funding from non-Governmental sources, including what special characteristics/assurances are associated with these funding streams i.e. UK &amp; foreign wealth funds.</li> <li>• Explore how to secure income streams from infrastructure. I.e. toll charges for highways etc.</li> </ul>
<b>European Funding including accessing European Investment Bank</b>	<ul style="list-style-type: none"> <li>• Transfer of powers and freedoms to English local areas for devolved operational delivery of European Structural Investment Funding (ESIF) and leverage funding from European Investment Bank (EIB).</li> </ul>
<b>Devolution Finance</b>	<ul style="list-style-type: none"> <li>• Interlinked with all the above.</li> <li>• Explore the covenant strength of Combined Authorities within the context of devolution.</li> </ul>

**Work Stream: Workforce**

<b>Priority</b>	<b>Detail</b>
Skills and Apprenticeships  <i>NB - The July meeting of the Resources Board appointed Cllr Linda van den Hende as Skills Champion.</i>	Work with Councils, Government and partner organisation to deliver: <ul style="list-style-type: none"> <li>• a more simplified and streamlined skills system that avoids the issues of duplication and competition.</li> <li>• a properly funded delivery model that takes account of national, regional and local needs based on a set of clear strategic priorities (sector based) that support skills acquisition for adults (post-16) linked to employer demand.</li> <li>• better advice for organisations and individuals wishing to access support for their skills needs, where possible at a local level.</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>• Reform of the pension system, with a lot of activity and policy discussion around the pooling of Local Government Pensions Scheme (LGPS) investments and the potential investment opportunities this may create.</li> <li>• The pensions team is already doing a lot of work in this area with ongoing briefings/seminars and engagement with Government to ensure we get the best outcome for the scheme.</li> </ul>

The new National Living Wage	<ul style="list-style-type: none"> <li>• Explore the implications of the National Living Wage (NLW), as a potential impetus for job redesign at the bottom end of the local government pay scale.</li> </ul>
Employment law/TU reform, including the referendum on Europe and the impact on employment rights.	<ul style="list-style-type: none"> <li>• Explaining and communicating developments in Employment law and Trade Union legislation.</li> <li>• Considering the impact of the referendum on European membership on jobs and employment rights.</li> </ul>
The integration of the health and social care workforce	<ul style="list-style-type: none"> <li>• Meeting the care and health needs of our growing and ageing population is a national priority. In the current financial circumstances for local government it is essential to look carefully at the development and deployment of the directly employed labour force and the relationship with commissioned providers to ensure that maximum value is provided. In an increasingly integrated system, one part of the workforce cannot be dealt with in isolation.</li> </ul>

**Work Stream: Welfare Reform**

<b>Priority</b>	<b>Detail</b>
The role of councils in benefit administration is recognised and adequately resourced.	<ul style="list-style-type: none"> <li>• Lobbying on TUPE / compensation for 4,000 staff to be completed by Christmas.</li> <li>• Securing sufficient Housing Benefit (HB) admin subsidy.</li> <li>• Ensuring that we are not left with HB overpayment debt without sufficient scope to recover.</li> </ul>
The role of councils in supporting Universal Credit (UC) claimants to make and maintain a claim is recognised and adequately resourced.	<ul style="list-style-type: none"> <li>• Ensuring that the future of Universal Support (UC) delivered locally is defined and funded; either as part of UC or as part of package of funding for 'life chances' work.</li> <li>• That Discretionary Housing Payment (DHP) is set at appropriate levels and used in appropriate ways; the role of councils in administering it is recognised and funded; working with councils to develop the evidence base to contribute to the promised Department of Work and Pensions (DWP) review (of how funding is used from 2016 to end of Parliament).</li> <li>• LGA publication setting the present and future role of local government in welfare (by March 2016).</li> </ul>
The experience of councils re: the impact of welfare reform on low income households informs future policy development.	<ul style="list-style-type: none"> <li>• Local research on impacts (including from LGINform Impacts tool) is fed up to national level via LGA channels and networks.</li> <li>• Develop a series of case studies to illustrate the impact on low income (in particular working) households and pose questions about viable policy solutions (linked to LGA Housing Commission).</li> </ul>



<p>The central role of local government in supporting households affected by the reforms is recognised and adequately resourced.</p>	<ul style="list-style-type: none"> <li>• The role of local welfare funding, DHP etc. and how it is prioritised and used; work with DWP on the review and commission additional survey / research if necessary.</li> <li>• Work with the Voluntary and Community Sector (VCS).</li> <li>• Co-location of Job Centre Plus (JCP) and other services.</li> <li>• How do councils draw together support for disadvantaged households e.g. Troubled Families, Public Health; Work Programme etc.</li> </ul>
<p>Councils have the freedom, funding and flexibility to integrate services and to improve life chances for claimants through local approaches to employment, housing, social care, education and health.</p>	<ul style="list-style-type: none"> <li>• Devolution asks on employment, skills and housing.</li> <li>• Link to our work on supply of social / affordable housing.</li> <li>• Spending Review work on devolved funding.</li> <li>• Further developing our pitch for local commissioning of the Work Programme (in particular for disadvantaged claimants).</li> <li>• Making the case for integration of health and social care support with employment support for ESA claimants.</li> <li>• Life chances and early intervention work – particularly picking up on the life chances / social mobility themes within the Welfare and Work Bill.</li> <li>• Through our lobbying around the Childcare Bill - ensure that childcare (in particular the extension to 30 hours free childcare to working households) reaches those who need it most. Give councils more levers to influence and integrate provision in their locality.</li> </ul>