

Resources Board – report from Cllr Claire Kober OBE (Chair)

1. Since 1 September, Resources colleagues and I have been piloting a new way of working that is a move away from the traditional Board structure to a more flexible, portfolio model, focused on increasing member engagement both within the Portfolio and within member councils.
2. There are four Portfolio areas, each coordinated by a Lead Member and supported by a steering group of members from within the Portfolio. These are: Local Government Finance; Strategic Finance for Growth, Infrastructure & Devolution; Welfare; and Workforce.
3. Within these Portfolio Grouping there is also scope for greater member input through roles such as council facing ambassadors, spokespeople and liaison roles to link up with the work of other LGA Boards on cross cutting issues.
4. We held a Portfolio workshop on 9 October, which was a great opportunity to meet colleagues and scope out the work programme for each Portfolio in more depth. Feedback so far has been really positive and on behalf of the Lead Members, I can say that we are all enthusiastic about making the most of the opportunities this pilot offers. I will keep you up-to-date as it progresses and on the evaluation of the pilot which is due to take place in April.

Spending Review Submission

5. The summer has been an exceptionally active and productive period for the finance element of the Portfolio as it took the lead in building the momentum of the LGA's Spending Review campaign.
6. In late June, we published the updated Future Funding Outlook analysis which set out a funding gap for council core services of £9.5 billion by 2019/20. We will be updating this analysis following the Spending Review. In the annual LGA conference on 30 June, we launched the LGA's position statement on financial issues called 'A Shared Commitment' which set out finance-related policies across all areas of local government.
7. This was followed by the launch of the LGA's official Spending Review representation, arguing the case for devolution of, or increased local control over, £60 billion of central government spending on growth, employment, skills and infrastructure. In the associated press release, revealed that councils face £10 billion of additional cost pressures, most from government policy interventions, by 2019/20. Together with the Association of Directors of Adult Social Services, we also prepared a thematic submission to the Spending Review on adult social care, health and wellbeing and supported other LGA Spending Review publications, due to be released this month.

Business rates

8. On the 5 October the Chancellor [announced](#) that by 2020 councils will be able to keep 100 per cent of the business rates. The LGA has long been calling for action on [business rates and this is a welcome announcement](#). This change will require a full redesign of the local government finance system and runs alongside the other developments in the devolution agenda which will have further financial implications. There is much work to do, to both introduce the proposals, and ensure that no council suffers as a result of the changes. At the Resources Portfolio workshop on 9 October, it was agreed that this is a major area for the LGA to concentrate on. We anticipate working with Government on the full range of measures and changes that will be needed and will continue to press for best possible deal for councils in the upcoming Spending Review, ahead of the announcement on the 25 November.

Welfare

9. The LGA Chairman, Cllr Porter, went to see Lord Freud to discuss Universal Credit (UC). He maintained pressure on the Minister to provide clarity around the future of housing benefit staff. The Chairman clearly reminded Lord Freud that the LGA position has been and remains that staff must be given an opportunity to transfer under COSOP principles, irrespective of whether the TUPE Regulations technically apply. The LGA is continuing its negotiations with the Department for Work and Pensions (DWP). Elected members are welcome to get in touch if they have any further views they wish to share on this issue which will remain live for the next few months.
10. As part of the discussions Cllr Porter also reiterated to Lord Freud that the housing benefit administrative subsidy remains central to helping councils support the roll out of welfare reform. Since the meeting DWP have confirmed that the 2016/17 administrative subsidy will not be adjusted for Universal Credit. Lord Freud also agreed to look into the prioritisation of housing benefit debt within UC. Discussions around the broader role for councils and the USdl are ongoing with further clarity expected after the Spending Review.

Pooled investments in the LGPS

11. In the July Summer Budget, the Chancellor announced plans to require Local Government Pensions Scheme (LGPS) funds in England and Wales to pool investments in order to save costs and to enable an increased level of investment in local infrastructure. The Government has stated their preference is for the sector to come up with innovative proposals to achieve this and a series of events and working group meetings have been held with elected members up and down the country to establish what approaches should be considered.
12. Following the Chancellor touching on these reforms in his Conservative Conference speech, we have now asked that Government puts out clear messages on the timetable and scope of this policy to enable all funds to seriously consider their response.

Local Government Services

13. All eleven regional pay consultation briefings have now concluded, with the National Employers meeting on 7 October to consider feedback and decide next steps. There is a broad consensus among councils that the new National Living Wage (NLW) presents local government with a challenge and that the NJC should move quickly to reach an agreement on pay and set a path to 2020 and beyond when the NLW will be more than £9 per hour.

Contact Officer: Nicola Morton / Sarah Messenger / Ian Hughes

Position: Heads of Programmes

Phone no: 020 664 3109 / 020 7664 7342 / 020 7664 3101

E-mail: Nicola.Morton@local.gov.uk / Sarah.Messenger@local.gov.uk / Ian.Hughes@local.gov.uk