



Minutes of the Executive Committee – Held on 8th March 2019

SDCT Website: www.cipfa.org/partners/society-of-district-council-treasurers

In Attendance: Jill Penn (President), Angela George (Secretary), Steve Hearse, Ian Knowles, Shelagh McGregor, Jenny Poole, Alan Peach, Simon Riley, Mark Dickenson, Adrian Rowbotham, Jo Wagstaffe, Paul Deal (dial in)

Also: Nicola Morton (LGA), Suzie Kennedy (Link), Aileen Murphie (NAO), Sarah Ironmonger (Grant Thornton)

1. **Apologies:** Simone Hines, Sal Khan, Peter Stuart, Simon Freeman, Homira Javadi, Jason Vaughan

Also: Joanne Pitt (CIPFA), Sally Marshall (DCEN), and Tony Crawley (PSAA)

2. **Minutes of Previous Meetings and matters arising**

The minutes of the previous meeting of 23rd November 2018 (special) had previously been agreed via e mail (*on the SDCT website*).

The feedback from the SDCT AGM on 7th January 2019 had generally been positive and the presentation slides are on the SDCT website. There was support from those present for the idea of holding an additional mid-year event for the wider District membership and various options for format, topics and timing were discussed. It was agreed that a poll of the members; recognising the associated time and cost.

Action – Angela George to organise poll of members

3. **Business Rate Retention**

The SDCT has responded to the BRR consultation from MHCLG and this is on the SDCT Website. Analysis was commissioned from LG Futures to support this and has been made available to individual Districts. Jill and Mark reported that further discussions have been ongoing with regard to tier splits between the various District and County Council networks. This was discussed in more detail in Part B of the agenda.

The next BR Steering Group is on 9th April. The other working groups have not met and the LGA has suggested to MHCLG that they should reconvene. More consultations are expected before the summer recess (24th July to 9th September).

Reference was made to the MHCLG Select Committee inquiry on Local Government Finance which Jill will respond to and which is due over the closedown period. There is also an HMT select Committee inquiry on Business Rates (impact on Businesses) which is due at the beginning of April. Jill also mentioned a meeting that had taken place with HMRC re a fundamental review of the VOA - the report is due in May.

In the recent MHCLG consultation on the Fair Funding Review the Government referred to continuing to engage with stakeholders on the implementation of rolling in public health grant into business rates retention. "This includes consideration of what more needs to be

done to build a full range of assurance arrangements for delivering public health services and outcomes. The Government will take a final decision on these matters in 2019.” Discussions are taking place on the transfer of public health into BRR.

The LGA has commissioned LGFutures to produce an Excel model of the alternative model of business rates retention. This should be completed by end of March and will be made available to member authorities following a clearance process.

4. Fair Funding Review

The SDCT response to the MHCLG Fair Funding review has been submitted and is on the SDCT website. Further consultations are anticipated before the summer recess.

Spending Review

Nicola Morton said a Spending Review was due in 2019 but there was no information yet on when or how many years it would cover. More information may be announced in the Spring Statement on 13 March.

The LGA launched its [Spending Review campaign](#) on 1 February and is planning for at least one press release or publication per week.

The LGA is doing some work on the variations in unit cost and has completed the work on Children’s Services which should be published shortly. The LGA is looking at Adult’s Services and District level services unit cost analysis. They are also looking at the evidence for spending in local government leading to savings elsewhere.

The LGA will shortly be circulating a survey to help gather evidence in advance of the 2019 Spending Review and would encourage all authorities to respond to the survey. Jill was thanked for her comments on the draft survey.

MHCLG and the LGA have run a series of roundtables. So far roundtables have taken place on SEND / DSG, Welfare reform and homeless. More are being planned on the transition from children’s to adults’ social care (now taken place), place based services and prevention and early intervention. The LGA is seeking two reps from SDCT to attend the roundtables.

Concern was expressed at the number of consultations running in parallel to each other at the moment and the Executive queried whether there was a ‘bigger picture’ of everything going on at the moment at government level. Jill will write to MHCLG with her concerns including the excessive demand on the time of the SDCT members (this would be discussed further in Part B).

5. CIPFA Financial Resilience Index and Financial Management Code.

Simon Riley updated members on progress.

The **FM Code** is now on version 8 and is substantially changed to incorporate the views of the working group. The code has been tested with a number of authorities – North Norfolk is the only District Council involved. The intention is for CIPFA to conduct a 6 week consultation to the middle of May and thereafter the Code would be launched at CIPFA Conference in July.

Aileen Murphy from the NAO stated that she did not see any big compliance issues with the code as there was nothing ‘new’ – it was a useful pulling together of existing requirements. There were general queries as to whether this would assist or strengthen the CFO’s hand at all?

There was also a view that an authority could be compliant with the Code but still be very close to the edge in terms of financial sustainability.

Simon reported that the development of the **Financial Resilience Index** is proving more problematic with a further meeting being held next week with CIPFA to discuss the way forward. The current timetable is that consultations would be held in the Autumn.

Don Peebles from CIPFA would be coming along to the next SDCT meeting in April.

Action – Simon Riley to feed back

6. Audit Update

6.1 NAO (Aileen Murphie)

Aileen gave a roundup of recent NAO publications:

- **Local audit opinion** which summarised the audits of local bodies including local authorities, police, fire and NHS and set out that qualified opinions are increasing with single tier and county councils at 18% having qualified conclusions. Shire districts were lower at 8%. Concern that bodies were not responding properly to auditors and that auditors were not using the full range of their powers.
- The issues paper has now been published which is the first stage of the consultation on the new Code of Audit Practice:
<https://www.nao.org.uk/code-audit-practice/about-code/>
- Aileen also covered our report on Planning for New Homes:
<https://www.nao.org.uk/search/planning+for+new+homes/>
And offered to present this report at a future meeting if that would be of interest.

Aileen also reported that the new Head of the NAO is Gareth Davies.

6.2 PSAA

Tony Crawley is the new Chief Executive of the PSAA and will attend the next meeting of the SDCT in April.

Ian Knowles reported that the next meeting of the PSAA is 22nd March but he is unable to attend. Steve Hearse offered to substitute.

Ian also distributed a report by Cardiff Business School which looks at how PSAA have performed on delivery. <https://www.psaa.co.uk/2019/01/news-releasecbsreview/>

7. Reports from External Bodies / Sponsors

7.1 Link (Suzie Kennedy)

A note was circulated from Link covering:

- i. Technical update / closedown issues
- ii. IFRS16
- iii. Business Planning update

The full note is on the SDCT website.

8. Advisor Reports

- 8.1 CIPFA CFO Retreat. This would be held on 17th and 18th October which currently clashes with the October SDCT meeting. It was agreed that the SDCT meeting would be moved to 11th October.

Action – Angela George to rearrange

9. Any Other Business

- 9.1 SDCT Lunch – This will be held at the Andaz Hotel, Liverpool Street, London on 7th June 2019.
- 9.2 CIPFA Conference agenda – to be discussed further once the idea of an additional SDCT General Meeting has been decided.
- 9.3 Adrian Rowbotham asked whether the Executive would be interested in receiving a presentation from a CIPFA Member who is conducting some research into Benchmarking in District Councils. It was agreed that this would be investigated further.

10. Date of Next Meeting – 12th April 2019, CIPFA Offices, Mansell Street, London

11 Part B Items – Private Executive Issues

11.1 BRR

Mark reported that at the joint meeting to discuss tier splits with the Districts and the Counties – it was agreed that both DCN and CCN would each look at the roles they undertake around business growth.

DCN are looking to have discussions with LG Futures with a view to commissioning a piece of work that demonstrates the roles that both districts and counties have, which may then be used to inform the basis for tier splits going.

11.2 Borrowing for Commercial Investments.

A paper distributed by Ian Knowles and Adrian Rowbotham was discussed which had been prepared in response to an early draft of the CIPFA guidance on borrowing for Commercial Investments. It was noted that this version of the guidance would NOT be the final version issued for general consultation by CIPFA and was an internal version for SDCT consideration only. Don Peebles from CIPFA would attend the next meeting of the SDCT in April to discuss this further.

11.3 Executive Vacancies / Advisor areas

There are currently 8 vacancies and there would be more resignations in the near future.

Jill Penn has announced that she will be leaving the LG Sector to join a Police Authority and so would be stepping down as President in June. Simone Hines and Jo Wagstaffe would step up to President and Vice President respectively and this would leave a vacancy for the second Vice President role. Anyone interested from the Executive in putting their name forward for this role should contact Angela George. It was agreed that each Member of the Executive would make a push to recruit more members.

As discussed earlier, the pressure on the Executives time was growing with a number of organisations asking for SDCT input. Volunteers for a number of areas was discussed and a number of members put their names forward:

The Advisor areas would be reviewed and updated once the number of members was clearer.

11.4 SDCT Communications – Subscribers, Distribution List and GDPR

Jenny reported that this work was ongoing but it was a labour intensive piece of work and there was currently a 40% bounce back for the membership distribution list.