**Minutes of the Executive Committee**

**10th January 2020**

**CIPFA Offices, Mansell Street, London**

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

**In Attendance:** Simone Hines (President), Jo Wagstaffe (VP), Mark Dickenson (2nd VP), Angela George (Secretary), Jenny Poole, Sal Khan, Adrian Rowbotham, Peter Stuart, Steve Hearse.

1. **Apologies**: Helen Smith, Simon Freeman, David Stanley, Ian Knowles, Alan Peach, Terry Collier, Paul Deal, Homira Javadi, Peter Catchpole, Clare Fletcher.

**Also:** Nicola Morton (LGA), Aileen Murphie (NAO), Andrew Chappell (PSAA), Guy Clifton (GT)

1. **Welcome**: Alison Scott (Watford and Three Rivers) was welcomed to her first meeting.

**Goodbyes:** It was noted that this would be the last meeting for Ian Knowles and Jo Wagstaffe as they had both been promoted to the posts of CEO’s at their respective organisations. The Executive passed on their congratulations and thanked them both for their significant contributions to the work of the SDCT.

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

The minutes of the previous meeting of 6th December were agreed. Any matters arising are considered further on the agenda.

1. **CIPFA / LASAAC Initiatives – Streamlining the Accounts (Conrad Hall)**

Conrad Hall, Corporate Director of Resources at the London Borough of Newham was welcomed to the meeting. Conrad has recently been appointed to the role of the Chair of the CIPFA/LASAAC Local Authority Code Board and it was noted that this is the first time that the Board has been chaired by a local authority practitioner rather than the accountancy firms.

The Board has responsibility for developing the Code of Practice for local authority accounting, including the adoption of new accounting standards. One of the current (ongoing) initiatives is the streamlining of the Accounts work following significant frustrations and concerns about the current structure of accounts. The Executive noted that these issues have been discussed over a number of years now without any solution to date. Discussion continued as to whether a Summary set of accounts would resolve the problem or would just be another job as the full set would still be required. The Board is looking for feedback from a wide variety of stakeholders ([presentation](../Angela%27s%20documents/SDCT/191129%20cipfa%20lasaac%20role%20%28003%29.pptx) attached)

Conrad advised that the difficulties in getting any material changes to the accounts approved through the Financial Reporting Advisory Board (FRAB) whilst still complying with accounting standards are not to be underestimated, and although there is general agreement from both auditor and auditee on some of the issues, the route to change is not straightforward.

The Executive discussed some of the key issues including the possibility of differential reporting requirements and levels of materiality. Conrad is seeking representation on working groups….

It was also noted that CIPFA / LASAAC have contacted SDCT and are seeking an additional member to the Board. If anyone is interested they should contact CIPFA.

**Action – issues to be considered further including SDCT representation on the Board.**

1. **Update on CIPFA Initiatives (Joanne Pitt)**

Jo updated the Executive on several initiatives ([presentation](CIPFA%20update%20%20for%20SDCT%20january%202020%20%28002%29.pptx) attached) including:

* The Prudential Property Investment Guidance. Jo reported that there had been very little feedback on this from the sector so far.
* FM Code – the Guidance will be approved by the CIPFA’s Public Financial Management Board on 31st January so there is limited scope for further changes. Peter Catchpole has been leading on this work for the SDCT.
* Resilience Index – It was recognised that there was a ‘forward looking’ gap in the index and work would continue on this. Jo also reported that there was a feedback address for those people ‘not happy’ with their presentation of data. She also reported that CIPFA were planning a briefing with the BBC in the coming year.
* CIPFA’s response to the Redmond Review including the role of the Audit Committee ([attached](LCFB%20Paper%20Ci%20Redmond%20Review%20Full%20Response%20%283%29.pdf))
* CIPFA’s response to the Code of Audit Practice ([attached](191122%20CIPFA%20response%20to%20NAO%20Code%20of%20Practice%20Stage%202%20consultation.pdf))

Jo also advised:

* that CIPFA were looking for a new Chair of the FM and Governance Panel and if anyone was interested or knew of anyone who was interested, they should contact Sarah Sheen at CIPFA.
* A wider discussion is required on which CIPFA Groups / Panels the SDCT is represented.
* That this year’s CFO Retreat would be held at the Warwick Conference Centre on 22nd and 23rd October. Invitations would go out in due course however numbers were limited. (**NB**: This currently conflicts with the scheduled SDCT meeting in October so we will rearrange)
* That there was a discount code available for SDCT Members for attendance at the CIPFA Conference on 8th and 9th July 2020 to be held in London.
* That she would attend the next meeting to discuss the climate emergency work that CIPFA were doing

**Action – Add Climate Emergency to the next Agenda**

1. **General Update on LG Finance Settlement and other issues (Stuart Hoggan)**

Stuart Hoggan (Deputy Director, LG Finance, MHCLG) attended the meeting and gave an update on various issues as far as was possible, noting that it was early days with the new ministers following the general election outcome from 12th December 2019. Stuart advised that there is a potential opportunity with the new Government to review things so if we have strong views on any issues to let them know. A discussion took place on several potential scenarios including:

* It was anticipated that the final settlement would be out prior to 13th February and no major changes were anticipated as the provisional settlement had ‘landed well’ with the sector. It was generally seen as the ‘least worst’ settlement for a number of years. The Executive were still concerned with the 2% referendum limit for Districts and this would be fed back again with a push for 3%.

**Action – Simone to submit the SDCT response to the provisional settlement by the deadline of 17th January. (Postscript – subsequently submitted and circulated to members and on the SDCT website)**

* Business Rates Retention – The aim is still for 75% retention with a full reset in 20/21. The alternative model work continues and there would be a systems design group later this month. Possibly a consultation would be issued in the Spring.
* There would be a review of the overall Business Rates System led by the Treasury. It was considered that the outcome of the review would clearly have implications for the BRR system.
* There would be a Spending Review later this year (date unknown). It is anticipated that there will be a multiyear settlement in future.
* The Fair Funding Consultation is due in the Spring. The impact on District Council needs assessment was discussed. The Technical Working Group was being revised and Sal Khan would be the SDCT lead advisor.

**Action – Sal to attend the next working group which will be arranged shortly.**

* A specific question was raised querying whether the Government intended to extend Business Rate Reliefs as set out in the Conservative manifesto predominantly to small retailers, pubs, cinemas and music venues. It has been reported that MHCLG want these reliefs to be included if at all possible in initial billing for 2020/21 despite the fact that the Budget on 11 March will be after most of us have run our 2020/21 NNDR bills. The concern is that there has been no consultation on this with CFO’s and there is no legislation in place to support the changes. Given the processing for the billing for most will be happening very shortly the timescales for resolving this appear very difficult to achieve. The cost of rebilling and impact on NNDR returns was discussed.

**Action - Stuart agreed to feed back as quickly as possible on these issues.**

1. **Audit Issues**

There were no representatives from the PSAA or NAO present at the meeting. Ian Knowles is leaving the Executive and Steve Hears would become the lead advisor on Audit issues.

A general discussion took place around the 2018/19 accounts audit and the fact that extra fees are being requested. There was also a discussion around whether auditors were still working to the deadline of 31st July or whether it was being ‘pushed back’. Aiva Statkevicius (LGA) reported that it was the LGA view that the deadline should be pushed back. The Executive reiterated that in their view this was a backward step and authorities had invested considerable resources in improving their processes to allow the timetable to be achieved and it would impact negatively on finance teams resources available to deal with other issues.

There was general disappointment expressed by the Executive at the lack of consultation / communication on these issues at an individual authority level. A further update would be requested for the next meeting.

**Action – Steve Hearse to report back to the next meeting and PSAA to be invited to give an update.**

There is no further word on the Redmond Review. Following the extension of the deadline for responses to 20th December.

It was noted that the NAO Commerciality Study is due to be published the first week of February and the NAO have confirmed that they will attend the next meeting to update the Executive on the report.

**Action – NAO to attend the next meeting.**

1. **Advisor Report - none**
2. **Reports and Updates from External Bodies / Sponsors**

**9.1Rob Baxter (Link Asset Services)**

Rob provided an update on current issues (attached) 

**9.2 LGA (Aiva Statkevicius)**

Aiva reported on current LGA initiatives including:

* A study into the extent of Business Rates avoidance.
* A review of Housing incentives
* Climate Change
* Devolution issues (NOT reorganisation)
* Finance reform
* The PWLB rate increase
1. **Any Other Business - none**

**PRIVATE SESSION**

1. **AGM – date and venue**

It was agreed that the AGM would be rearranged for the 29th and 30th April at Warwick University.

**Action – Angela to arrange and notify members.**

1. **Timetable 2020**

The previous timetable issued would be amended for the changes discussed at this meeting and reissued.

**Action – Angela to arrange venues and reissue timetable**

1. **New Members**

Alison Scott (in attendance) and Ka Ng(Welwyn Hatfield) were formally approved as members.

1. **2nd VP Nominations**

Anyone interested in being nominated for the role of 2nd VP following Jo’s departure should contact Angela.

**Action – Executive members**

1. **Communications with Members**

Jenny will continue to get the distribution list updated. Peter will trial LinkedIn.

**Action – Jenny / Peter**

1. **Any Other Business – None**
2. **Date of Next Meeting – 10am on 13th March at the Link Offices, 65 Gresham Street, London EC2V 7NQ**