**Minutes of the Executive Committee**

**16th October 2020**

**Venue: Virtual Private Meeting**

**SDCT Website:** [**www.cipfa.org/partners/society-of-district-council-treasurers**](http://www.cipfa.org/partners/society-of-district-council-treasurers)

**In Attendance:** Simone Hines (President), Mark Dickenson (VP), Angela George (Secretary), Terry Collier, David Stanley, Helen Smith, Adrian Rowbotham, Glenn Hammons, Clare Fletcher, Sal Khan, Peter Catchpole, Peter Stuart, Homira Javadi, Jenny Poole, Sian Moore.

**Also:** Nicola Morton (LGA) and NAO for item 1.

1. **NAO Study – Local Authority Finances in the Pandemic**

 **– Aileen Murphie, Alex Burfitt, Cameron Paton and Andrea Jansson**

Aileen introduced the NAO team present and advised that as part of the fieldwork for the study, the NAO plan to undertake workshops and interviews with key stakeholders such as SDCT. Having this breadth of experience would provide important local insights and complements their other work which includes case studies, discussions with government departments and analysis of national financial data.

The report will focus on pressures arising from COVID-19, as well as the support made available to local authorities through MHCLG. A study flyer was circulated giving more detail on the work. The study aims to understand the financial challenges created by COVID-19 for local authorities. They will also examine the effectiveness of government’s response in supporting authorities in delivering the ‘new burdens’ it has identified as priorities in the context of the pandemic, and in securing authorities’ financial sustainability over the short and medium-term.

The NAO were interested in discussing a range of issues, including: the nature and scale of cost pressures and income losses experienced by the authority; the sufficiency and clarity of purpose of additional funding provided by government to date to offset increased cost pressures; and the implications for this and next years’ budgets and service provision of current government proposals in relation to lost sales, fees and charges, and tax income. Slides were shared setting out the key themes (slides on the website).

The Executive discussed the issues with the NAO. The NAO concluded with a request that examples of the issues discussed would be useful. These would be confidential, and the accuracy would be tested prior to publication.

The timescale for publication of the report is March 2021.

**Action – Examples to be sent to NAO**

1. **Apologies**: Alan Peach, Alison Scott, Simone Freeman, David Heyes.

**Goodbye:** Ka Ng – the Executive recorded thanks to Ka for the contribution made to the work of the Executive and congratulated her on her promotion to Interim Chief Executive.

**Welcome:** The Executive welcomed Sian Moore, Richmond DC, to her first meeting.

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

The minutes of the previous meeting of 4th September 2020 were agreed. Any matters arising are either considered below or further on the agenda:

* 1. **PWLB Consultation response**

The SDCT submission to the consultation was made by 31st July deadline by Alison Scott. No further word on the review has been received yet.

Nicola reported that MHCLG are planning a survey on Commercial property.

It was noted that CIPFA were starting a review of the Prudential Code.

* 1. **Local Government Reorganisation**

It was noted that some Executive members are impacted by the latest announcement on LGR (Cumbria, North Yorkshire and Somerset). Expressions of interest are due in to MHCLG by 9th November with final proposals no late than 9th December. It was agreed this is an area that would be considered further in future agendas.

1. **Update on COVID-19**

Simone updated the meeting on the key issues arising from her regular meetings with MHCLG / LGA / ALATS etc. and the Executive discussed the key issues. There has been a recent announcement regarding an extra £1bn funding- the basis of allocation would be investigated. There are still several unanswered questions around funding, particularly for Leisure and the HRA, and Sales Fees and Charges. It was considered that the District voice needed to be heard more loudly and Simone will contact DCN to discuss how this might be done.

The Executive had held a meeting with Grant Thornton on 18th September to discuss and finalise the study – COVID-19 Vulnerability and Recovery Indices commissioned jointly with the DCN from GT. The report contains a presentation with key findings and also an excel tool that can be used to look in more detail at an authority’s own information. It was hoped this would be useful for individual authorities planning their own COVID recovery planning and has now been distributed to Districts. The output would also be used to inform the SDCT Spending Review submission.

**Action – Simone**

1. **Spending Review 2020**

The SDCT submission was submitted on 24th September (on SDCT website) and sets out a series of ‘asks’ of the Government as follows:

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| * Commitment to fully fund COVID pressures throughout the Spending Review period, both in terms of additional expenditure grant and continuation of the income scheme
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| * Commitment to fully fund Collection Fund losses due to the impact of COVID in 2021/22 and 2022/23
* Review of business rates baseline to reflect COVID losses.
* No reset of business rates growth from April 2022, or if there is to be a reset, transitional arrangements will need to be in place, front loaded to avoid a cliff edge in 2021/22.
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| * Continuation of New Homes Bonus based on existing allocation methodology to avoid a further funding cliff-edge
* Any changes to New Homes Bonus should not result in the grant being reallocated through Start Up Funding Assessment as this will not adequately reward growth or the costs of achieving growth
 |
| * Fundamental review of the Housing Benefit Subsidy System
* Long term revenue funding included in the baseline – the current time-limited New Burdens Grant for the Homeless Reduction Act and Flexible Homelessness Support Grant are not sufficient in value and are too short term in nature to plan a sufficient preventative service
* Expand the Next Steps Accommodation Programme with both capital and revenue funding. Tackling homelessness requires a focus not just on accommodation, but on intensive interventions with wraparound support. Ongoing government funding will be needed.
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| * Expansion of the Affordable Housing Grants programme
* Fundamental review of the Right to Buy system, to increase the level of receipt retained by district councils to 100% and remove the limits on use of 141 receipts.
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| * That the proposals in the PWLB consultation are not implemented.
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| * Remove Council Tax Referendum limits
* Ability for districts to set own Council Tax exemptions and discounts
* Remove restrictions over fees and charges that are set by statute
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| * Lower PWLB rate for regeneration and housing projects
* Expand the Towns Fund and Future High Streets Fund programmes to support the regeneration of town centres and other key employment areas.
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| * The Spending Review must report urgently with the Local Government Finance Settlement following immediately after. Both of these announcements should be before the end of November.
* The Spending Review should cover a minimum of 4 years with a rolling update each year, so that District Councils always have a 3-year funding settlement.
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The LGA submission has been made following their roundtable events (which SDCT members took part in) and is on the LGA website. It runs to over 100 pages.

The Executive discussed some key issues around the probability of a single year settlement and the fact that this might be a ‘rollover’ settlement. MHCLG are looking for views on year 2 onwards (certainty v’s reform) in view of the current unprecedented circumstances.

Any further work on Business Rates Retention by the LGA would be put off until the review into Business Rates is concluded. The Fair Funding work is also currently ‘on hold’. Mark has circulated a draft response on the Business Rates Call for Evidence and will finalise it on behalf of the SDCT by the deadline of 31st October.

**Action – Mark**

1. **Audit Issues**
	1. **Redmond Review**

A meeting of the Executive had been held with Sir Tony Redmond on 11th September to discuss the output from the report. The Executive had several concerns over the recommendations in the report and will be submitting a response.

The LGA have also drafted a response which would be published in due course.

**Action – Simone / Mark**

* 1. **Audit of Accounts and Fee update**

Ka would be attending a PSAA Advisory Board meeting the following Monday and would give an update

**Action – Ka to feedback any relevant points**

1. **CIPFA ITC 20/21 CofP on LA Accounting**

The SDCT draft response had been circulated by Alison Scott. Any further comments to be sent to Alison prior to the submission date of 23rd October.

**Action – Alison Scott to finalise and submit response.**

1. **SDCT Executive Business**
	1. **Webinar Date**

Simone would suggest some dates to hold the Webinar – possibly towards the end of the year.

**Action – Simone / Angela**

1. **Any other Business**
	1. **Planning White Paper**

Sal will look at any financial implications in the paper and prepare an SDCT response.

**Action – Sal**

* 1. **Research Project**

As previously circulated, a meeting with Andy Pike from Newcastle University has been arranged for 22nd October. Andy is researching for a book that is aiming to map and explain the use of new financial strategies and tools in Local Government since 2010 and to get the views of various Treasurer Societies.

**Action – Jenny, Peter C and Angela**

1. **Date of Next Scheduled Meeting: 11th December 2020 (Virtual)**