



Minutes of the Executive Committee

8th December 2023

Venue: Virtual (Public) Meeting

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

LinkedIn: [Society of District Council Treasurers \(SDCT\)](https://www.linkedin.com/company/society-of-district-council-treasurers)

SDCT Members in Attendance: Adrian Rowbotham (President), Angela George (Secretary), Alison Scott, Richard Gibson, Christine Marshal, Simon Freeman, David Stanley, Jon Illingworth, Emma Foy, Terry Collier, Richard Baker, Clare Fletcher, Bev Bull, Clive Mason.

❖ It was confirmed that the meeting was quorate (i.e. one third of Executive members were present)

Also in attendance: Nico Heslop (DLUHC) for item 3, Rikin Tailor (FRC), Tony Crawley (PSAA), Guy Clifton (GT), Vicky Davis (NAO), Alex Burfitt (LGA).

Goodbye: - Richard Gibson – Richard will be leaving Pendle BC as of 31st December 2023 and joining St Helens Council as Director of Finance in the new year so will have to resign from the SDCT. The Executive thanked him for his contribution to the SDCT and wished him all the best in his new role.

1. **SDCT Executive Apologies:** Homira Javadi, Peter Catchpole

Also: Neil Harris (FRC), Andrew Chappel (PSAA), Nicola Morton (LGA), Joanne Pitt (CIPFA), Rob Baxter (Link)

2. **Minutes of previous meetings:**

The minutes of the previous meeting of 13th October 2023 were agreed and will be published on the website.

Outstanding Actions:

- **HRA:**

Awaiting feedback in due course on the issue of the HRA and whether there was an opportunity to look at changes to rent setting arrangements.

Action – Homira

- **Drainage Board Levy:**

Christine updated members on progress with this issue and will continue to feedback as appropriate.

Action – Christine

Any other matters arising, or other outstanding issues are considered further on the agenda.

3. **Financial Issues Update:**

- Nico Heslop (DLUHC) attended the meeting and updated the Executive on recent issues. DLUHC had issued a Finance Policy Statement on 5th December setting out the main funding measures Councils should expect for the next financial year. The Provisional Local Government Finance Settlement is anticipated on either 18th or 19th December. The update was followed by questions and comments from the Executive.

Nico was asked what the sector could do to best engage with the Department. Nico felt good engagement already existed but one area that could be improved was the RO Forms which was the single most important return the Department relied on and that they had found could be unreliable in terms of data submitted. The difficulty in completing these returns in the light of other competing often higher priorities in small teams was discussed.

Note – DLUHC are holding a training session on 12th January on the fundamentals of the RO / RA / QRU Returns.

- Adrian reported that the results of the ALATS Reserves survey contained 85 responses (21 from Districts). Reserves have not dropped as much as expected and Districts show a 1% increase from 21/22 to 22/23.
- Adrian reported that there is no update yet on the ALATS Resilience Survey.
- S114 update. The latest situation regarding S114 notices was noted.

4. Local Government Audit update

- FRC

Rikin Taylor, Deputy Director of Local Audit at the FRC attended and gave the Executive an update on current issues:

- DLUHC/FRC, working with key system partners on the technical solution on the local audit backlog.
- Need to ensure that any impact of statutory backstop dates for outstanding years doesn't then cause an issue in future periods
- Getting closer to a ministerial briefing on the proposal
- There is a Senior Stakeholder meeting with the FRC, NAO, DLUHC and CIPFA next week to make a recommendation to the minister.

The Executive again reiterated the point that auditors were awaiting guidance and in the absence of that guidance, progress has slowed even further. It was therefore crucial for a common understanding of the position to be in place as quickly as possible.

It was also felt that the backstop date needs to be considered very carefully to ensure it is realistically achievable. There will be limited time and resources once the date is announced to meet the deadline - District's often have very small finance teams and therefore limited skilled resources at their disposal. Guy Clifton advised that GT were currently working on the assumption that the backstop will be 31 March 2024, until such time the decision has been made / confirmed.

- PSAA

Tony Crawley reported that:

- As per Rikin's update, PSAA are all awaiting the backlog solution decision to provide the detail to follow on from the Ministerial Statement in July.
- As referenced in the ministerial statement, the underlying principle for audit fees is that the fees will be driven by the work done.
- The requirements for VFM arrangements reporting are being worked on as a key element of the backlog solution, this includes where there are disclaimers / qualifications for the backlog years.
- Number of outstanding audit opinions has moved down from 918 at the end of September to 832 at the end of November.

District Council specific figures:

- 2022/23 - 6/181 complete 3% (all bodies overall = 3%)
- 2021/22 - 78/181 complete 43% (all bodies overall = 46%)
- 2020/21 - 140/188 complete 74% (all bodies overall = 81%)

- **NAO**

Vicky Davis updated the Executive on the following issues:

- Number of NAO publications out in the last few weeks:
 - Investigation into the Homes for Ukraine scheme
 - Reforming adult social care in England - NAO report
 - Levelling up funding to local government - NAO report
- If adult social care and levelling up reports go to PAC post-Christmas, Vicky asked if the SDCT might like to submit written evidence and will confirm once the PAC programme is announced.
- Forthcoming work on:
 - Homelessness – delivery in Summer 2024
 - Building safety – delivery in Autumn 2024
 - LG financial sustainability – delivery in Q1 2025. Vicky Davis had issued slides for consideration by the Executive including an update on the NAO work programme and some of the potential changes under consideration for the Code of Audit Practice.

5. SDCT – Accounts and Materiality Project

Alison Scott updated the meeting on the above project and advised that discussions were ongoing with GT and CIPFA. Currently awaiting the ministerial announcement on the audit backlog issue.

Rikin advised that the FRC are also looking at this issue and he will contact Alison directly to discuss.

Action – Alison to update on progress as appropriate.

6. Consultations:

- **Finance Staffing Resilience**

This is a joint project between CIPFA and the LGA. Alex advised that the LGA Workforce team are currently going around CFO Societies and they will contact Adrian.

Action - Adrian

- **MRP Consultation** – there is still no word on the due date of this consultation and as previously discussed time is incredibly tight now if the deadline of introduction of the new regulations is intended to be 1st April 2024. This issue could have significant impact on some authorities and the information is required urgently. Nico Heslop (DLUHC) advised the Department hopes to have something out before Christmas or early in the new year and they want to avoid unintended consequences. Alex Burfitt (LGA) advised that the LGA are starting the conversation to push the implementation date back to April'25.

- **Business Rates Avoidance and Evasion and Technical Adjustments**

David Stanley has submitted the SDCT consultation responses (on SDCT website).

- **Provisional Finance Settlement**

Adrian Rowbotham will co-ordinate the SDCT response once issued.

Action – Adrian

7. External Advisor updates:

- **LGA:**

Alex Burfitt updated the Executive on the current work of the LGA including:

- 24/25 Local Government Finance settlement
- Business rates
[Consultation on business rates avoidance and evasion](#) was published 6 July 2023 and closed on 28 September. The LGA responded. It was disappointing that the Government had made no announcements on the subject in the recent Finance Policy Statement.
- Council Tax
The provision to charge a premium on second homes cannot now be used until 1 April 2025 at the earliest (because of the requirement for a 12-month lead in)

- **Grant Thornton**

- Guy Clifton updated the meeting on the new GT report published yesterday, preventing failure in LG: <https://www.grantthornton.co.uk/insights/how-can-further-local-authority-failures-be-prevented/>

8. SDCT Executive - Advisor updates

There were no further updates other than those already covered on the agenda.

9. Any Other Business

- Pay negotiations and Real Living wage – discussion on implications of the large increase in costs on Council budgets.
- The timetable of meetings for 2024 was agreed and will be circulated. It was agreed that the meetings would remain largely virtual other than the SDCT Conference in March and the SDCT workshop at CIPFA Conference.

Action – Angela

10. DONM – 5th January 2024 10am (public meeting)

Issues for the next agenda were discussed. Emma volunteered to take the minutes as Angela will be on leave.

Action - Emma

11. Private Executive Business:

- **Subsidy Audits**

Adrian updated the Executive on current issues. Following the DWP decision (HBAP guidance) to change the method in completing CAKE / additional full population testing (100%) we must complete this type of testing on full DWP workbooks. This has / will continue to significantly increase workload. Auditors had not updated Sevenoaks on this change which has resulted in the work having to be redone.

- **Provisional LG Finance Settlement Consultation**
The Executive discussed the key issues to be included in the SDCT response. Adrian will co-ordinate and submit the response.
Action – Adrian

- **Future SDCT Housing Roundtable**
This is being progressed with DCN - no firm date has been agreed yet.
Action – Terry / Emma to progress.

- **Draft Flyer for SDCT Conference 7th and 8th March 2024.**
This was agreed and will be issued shortly. Members of the Executive who wish to attend should inform Angela as soon as possible so that number of places available to others can be determined,
Action – Angela / All