**Minutes of the Executive Committee**

**10th September 2021**

**Venue: Virtual Meeting**

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

**In Attendance:** Alison Scott (President), Angela George (Secretary), Terry Collier, Adrian Rowbotham, Peter Stuart, Homira Javadi, Richard Baker, Simon Freeman, Jenny Poole, David Stanley, Sal Khan, Peter Catchpole, Sian Moore

**Also:** Alex Skinner (MHCLG) for item 3, Paul Dossett (GT), Bevis Ingram (LGA), Andrew Chappell (PSAA), Vicky Davis and Mike Newbury (NAO), Joanne Pitt (CIPFA)

1. **Apologies:** Helen Smith, Carolin Martlew,Tracey Bircumshaw, Clare Fletcher, David Heyes , Richard Bates

**Also:** Rob Baxter (Link)

1. **Minutes of meeting of 9th July**

The minutes of the previous meeting of 9th July 2021 were agreed. Any matters arising or outstanding issues are considered further on the agenda.

1. **Finance and Budget Issues**

Alex Skinner (MHCLG) attended for this item to update SDCT on the current issues around the Spending Review and budget issues albeit there is little hard information at this time on the likely outcome. Alex is aware of the need for an early settlement from the LG sector but felt it was unlikely to be before December as in previous years. There was also a recognition of the desire for a multi-year settlement from the sector. Discussions are ongoing on the NI increase, Afghan support and New Homes Bonus.

The Treasury has announced that there will be two budgets in 2021. The Autumn 2021 budget will take place on **27 October 2021**. The Office for Budget Responsibility (OBR) will prepare an economic and fiscal forecast which will be presented alongside the Autumn Budget and 2021 Spending Review on 27 October. The deadline to submit representations is 30 September.

Bevis Ingram reported that the LGA spending review submission would be submitted that evening.

Alison Scott will co-ordinate the SDCT submission by the deadline of 30th September and will pick up the issue of Council Tax flexibilities raised recently buy a member.

Alex also requested that the Sales Fees and Charges return be completed by the end of September (including a reconciliation for the last quarter of the last financial year. Following discussion, it would appear that the issue of Leisure Centre support does not seem to be priority for the government at this time.

Following the discussion Alex left the meeting.

**Action – Alison to draft the SDCT submission to the spending review and circulate it for comment. The deadline for submission is 30th September.**

1. **Audit Issues**

**4.1 NAO**

Vicky Davis and Mike Newbury updated the meeting - the key issues are summarised below:

* Net zero – weaknesses in central government approach, lack of clarity over roles, multiple funding strands and diffuse responsibilities. More work to come from NAO on net zero in future.
* Data visualisation – tool for analysing changes and trends set out in recent NAO reports on finances in more detail
* Adult social care – reminder of the recent report on Adult social care markets. Also submitted evidence to Health and Social Care Committee on DHSC’s White Paper, Integration and Innovation. This highlighted pre-existing risks to financial sustainability in both NHS and local authorities. The NAO continue to stay in the space and speak to DHSC to get updates, particularly on progress against NAO recommendations.
* Various good practice guides published by NAO specialist teams – on commercial lifecycle; climate change risk; and implementing digital change
* Future work – Local govt finance knowledge product (will complement NAO data visualisation by describing major changes and trends in last 10 years and implications); VFM study on supporting local economic recovery, focusing on how government has learned and applied lessons from previous local growth programmes.
* Local audit update - MHCLG consultation on local audit framework closes on 22 September 2021; the NAO Local Audit Code and Guidance team is undertaking a programme of work to support auditors including providing guidance on issues such as going concern and dealing with objections and issuing protocols on pension assurance.

**4.2 PSAA**

Andrew Chappell updated the Executive on the following issues:

 **Procurement**

PSAA would welcome opportunity to talk directly to Society Members on the issue (subsequently agreed as 8th October at 11am). There will also be a series of webinars set up over the autumn on related topics – these will be flagged in the PSAA first e-bulletin.

It is a Local Authority decision as to whether to opt in or not - currently 98% of authorities opt in. The final date for opting in is March 11th 2022 and under the Regulations this has to be a decision of full council. As long a period as possible has been scheduled to enable the sequence of meetings to happen.

**(Postscript - Andrew will attend the SDCT meeting on 8th October at 11am to discuss this with the Executive)**

**Audit Completions**

2019/20 audits - 76 remain outstanding at end of August

2020/21 audits – expected to be depressing

**Other audit matters**

PAC – Report on timeliness of local government opinions issued in July 2021. Lots of actions required of MHCLG by 30 September.

MHCLG – pre-summer recess announcement in July 2021

* Announced of distribution of funding
* Plans to amend Appointing Person Regulations

Local Audit Framework consultation (22 Sept) - PSAA is responding. We hope that the spirit of paragraph 55 of MHCLG spring announcement is built upon: *More broadly, we also want the new system leader, as well as existing stakeholders, to look at whether there are opportunities to reduce some of the accounting and audit requirements where these relate to areas of less risk to local bodies. The intention would be to ensure that local authority accounts and the statutory audit are proportionate, noting that they need to be consolidated into the Whole of Government Accounts, prepared in accordance with International Financial reporting Standards, and meeting the necessary standards of reporting and scrutiny.*

BEIS consultation on audit matters including ARGA. Significant number of responses. Some concerns that this might delay formation.

PSAA surplus distribution: Members should have been contacted for confirmation of bank details. We are expecting the money to be transferred next week.

1. **Consultation Responses:**

MHCLG Consultation of the Local Audit Framework. A draft response has been circulated by Richard Baker and following discussion this will be submitted by the deadline of 22nd September (*on SDCT website*).

The SDCT Executive reiterated their concerns (which have been expressed over many years now) over the state of the audit market and the impact this is having on LA finance teams and authorities. It remains to be seen whether ARGA will improve the position or indeed whether it can be in place in time to do so.

**Action – Richard Baker**

1. **Advisor and Sponsor Updates**

**6.1 LGA**

Bevis Ingram updated the Executive on the following:

* [Spending review](https://www.gov.uk/government/news/chancellor-launches-vision-for-future-public-spending) – [submissions](https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-representations) due to HMT 30 September; LGA submission considered by Executive Board yesterday.
* [Social care announcement](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1015736/Build_Back_Better-_Our_Plan_for_Health_and_Social_Care.pdf) this week included intention to invest further in Disabled Facilities Grant.
* MHCLG published plans for [changes to the capital finance framework](https://www.gov.uk/government/publications/local-authority-capital-finance-framework-planned-improvements) in July, including forthcoming consultations on MRP and on investment guidance as well changes to data collected from councils and how capital activity is monitored and how and when MHCLG will intervene. LGA are discussing these with MHCLG.
* HMT published new guidance on PWLB borrowing terms in August.
* Audit – LGA will be writing to council leaders shortly urging councils to opt in to the national procurement arrangements for Audit by March next year.
* [Consultation on local audit framework](https://www.gov.uk/government/consultations/local-audit-framework-technical-consultation) closes on 22 September; LGA will be responding
* Business rates – [consultation on central list](https://www.gov.uk/government/consultations/business-rates-revaluation-2023-the-central-rating-list) closes on 8 November; LGA will be responding.
* Business rates – Material Changes of Circumstances bill went through next stage in House of Commons this week; after going to Lords in autumn, expected to go for Royal assent in New Year.
* Conference 12 November : [Sustainable council finances in a post-COVID-19 world](https://lgaevents.local.gov.uk/lga/frontend/reg/thome.csp?pageID=438761&eventID=1277&traceRedir=2), a summit arranged jointly by the Local Government associations in England, Wales, Scotland and Northern Ireland. Free to LGA, COSLA, WLGA and NILGA members.

**6.2 GT**

Paul Dossett updated the meeting on the following:

* GT is currently preparing a “levelling up index” based on place and financial data in district areas. The index is designed to benchmarks strengths and challenges in places in order to provide analysis to support individual areas discussions with Government
* In our 20/21 audits and beyond we are focusing on borrowing, MRP and the Capital Financing Requirements and reporting our comments on this.
* The September 30 deadline for audit sign off is very challenging due to the ongoing challenges of remote working, resourcing, and technical challenges.

**6.3 CIPFA**

Joanne Pitt updated the meeting on the following:

**The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 Consultation**

The proposed amendments in the 2022/23 Code cover changes relating to the implementation of IFRS 16 Leases and changes in accounting standards on which CIPFA/LASAAC wishes to seek stakeholders' views and will apply to accounting periods starting on or after 1 April 2022.

Issues considered in the consultation

* Further developments on the implementation of IFRS 16
* further clarification of the treatment of Housing Revenue Account tenancy agreements under leasing standards; after a separate consultation issued in November 2020, CIPFA/LASAAC determined that these are operating leases, but that the current disclosure requirements for HRA tenancies should continue to be applied. Revised text was incorporated into Appendix F of the 2021/22 code. The amendments proposed in this invitation to comment provide further clarification of the approach.
* Other changes to accounting standards.
* Other matters, comprising further consultation on the future implementation of IFRS 17 insurance contracts and review of capital financing requirement disclosures.

The consultation closes on 11 October 2021, and we would welcome responses from the SDCT further details can be found at the link:

<https://www.cipfa.org/policy-and-guidance/consultations/code-of-practice-on-local-authority-accounting-202223>

**Action – David Stanley to draft response to the consultation on behalf of SDCT**

**Sustainability Reporting – Evolving Climate Accountability: A Global Review of Public Sector Environmental Reporting**

Ahead of COP26 in Glasgow, CIPFA launched the report Sustainability Reporting – Evolving Climate Accountability: A Global Review of Public Sector Environmental Reporting at the annual conference in July in London.

The report sets out to identify what, if anything, public sector organisations around the world are doing to report their impact on the climate. We surveyed public sector professionals around the world and hosted a series of regional roundtables. Participants included public sector accountants, practitioners, academics, auditors, public servants, and standard setters. The report is available at the following link: <https://www.cipfa.org/protecting-place-and-planet/sustainability-reporting>

**Levelling up**

CIPFA has produced a new levelling up briefing paper as part of a larger piece of work that will take place throughout the year - Addressing regional inequalities in the UK: levelling to where?

This report is split into two parts. The first offers economic context and CIPFA's broad assessment of the agenda, while the second offers an overview of the funding structure intended to support levelling up, considering the complex factors that lead to regional differences in productivity and pay and reinforcing CIPFA's argument for the provision of less fragmented, longer-term grants. The report can be read at the following link: [Regional Inequalities](https://www.cipfa.org/policy-and-guidance/reports/addressing-regional-inequalities-in-the-uk-levelling-to-where?gator_td=aCTL9qYAg88hYr%2bXVROuPSGEFbv%2bbqW9wEunXyfZuJf9TwLKM3JUjCH8fJiDRvlGRjafudfSTw%2bVNs0Btl9%2fdTx3TO7hSaF47Ako%2fzHjZNt%2fYPEF4J2rDNtZrR1ZI52sCDMXpeBE%2bMvYvp%2fZyj6uZWVPEHvSr1m1jlw1%2fsoJntSRv%2bZ6yda1cOzZAqicfDU0J3vY8HNET9DEYrENYEswA3vGkknfZk4SUX9HrZVL294%3d)

**Procuring with Confidence**

CIPFA’s new procurement collaboration launches in October. Recognising the procurement challenges faced by the public sector, CIPFA have teamed up with CPRAS to create the CIPFA CPRAS Technology Procurement Association (CCTPA).

CCTPA will provide a secure procurement platform enabling organisations to procure frontier technology solutions safely and confidently, via framework agreements which CCTPA have negotiated with private sector organisations. Further details available at the link: [Procuring with Confidence](https://www.cipfa.org/services/procuring-with-confidence?gator_td=TkvfSs8z9JiAZ8kJVvDrH%2bp%2b03vNszrt63fY0Lb%2fuk8rekzcQCtO3cFxuTxjr2BjjQY%2fEiVPEMyAnQmBMzQwr86znFrA0KqSoZIL3t7NjW9CHmp1CmAPNXNliOUENhLuDCDh4mwFMsgduBxMxDYEE20AeyK8aqacFJawOCabmp79lOf%2be7O2aA8URlem7UR%2fo6%2bVNwp1I2pkP1Pj8cSEHw%3d%3d)

**CIPFA Boards and Panels**

PFMB approved the plans for the modernisation of CIPFA’s boards and panels. Now that these proposals have been successfully navigated through CIPFA governance, the four faculty boards along with all existing panels will now be withdrawn. A replacement suite of Fora (Forums) will be introduced. The Forums will principally be subject-led enabling CIPFA to consider public service-wide issues both domestically and internationally. The sole exception is the Charities Faculty Board which, as the sole non-public sector area of strategic interest for CIPFA, will be retained as a Forum. It’s proposed that each Forum will have a broader complement of members, have a broader public service appeal, and also have an impact internationally. The new forums are as follows:

* Sustainability
* Accounting and Financial Reporting
* Procurement, Fraud and Anti-Corruption
* Finance Workforce
* Governance and Assurance
* Public Policy and Reform
* Charities and Public Benefit Entities

Work has already been undertaken in the organisation and set up of the new forums with chairs being appointed and expression of interest from CIPFA members and the wider sector. Should you be interested please submit an expression of interest to the email address: Policy.technical@cipfa.org

**Action – SDCT to propose membership of the new Forums**

1. **SDCT Event – Warwick University**

The 2-day session for the wider membership scheduled for 7th and 8th October has now been postponed to **10th and 11th March 2022** due to continuing concerns over Covid together with workload pressures.

**Action – Angela to progress.**

1. **Executive Issues:**

**8.1 Advisor areas update.**

Jenny Poole is now elected as the 2nd Vice President and Clare Fletcher will take over the Treasurer role from Jenny

**Action Jenny and Clare to progress handover.**

The advisor areas will be updated to reflect all the recent changes

**Action - Angela**

1. **Any Other Business: None**

1. **Date of Next Scheduled Meeting:**

**8th October – 10am (virtual private - with PSAA presenting at 11am)**