**Minutes of the Executive Committee**

**12th March 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:** Simone Hines (President), Mark Dickenson (VP), Angela George (Secretary), Terry Collier, David Stanley, Adrian Rowbotham, Glenn Hammons, Alison Scott, Peter Stuart, Homira Javadi, Sian Moore, Richard Baker, Alan Peach, Sal Khan, David Heyes, Simon Freeman.

**Also:** Alex Skinner (MHCLG- for Item 3), Aileen Murphie and Mike Newbury (NAO), Andrew Chappell (PSAA), Bevis Ingram (LGA), Rob Baxter (Link), Guy Clifton (GT), Daniel Moylan (ZM), Joanne Pitt (CIPFA – for item 6.5)

**PART A – Public Meeting**

1. **Apologies**: Peter Catchpole, Jenny Poole, Clare Fletcher, Helen Smith

**Goodbyes**: Mark Dickenson and Glenn Hammons will be transferring to the new Unitary authorities in Northamptonshire. The Executive thanked them for their contributions to the Executive.

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

The minutes of the previous meeting of 15th January 2021 were agreed. Any matters arising are either considered below or further on the agenda:

* 1. **PWLB Consultation response**

An issue had previously been raised as to whether the new rules would mean that any future investment in existing commercial property that is outside the area would be ‘disallowed’ which could have unintended consequences on dilapidation of the asset or exiting the arrangement. Alex Skinner (MHCLG) has clarified that access to the PWLB to improve or maintain existing properties (inside or outside the area) will be allowed.

Concerns remain over the impact of the changes on Councils commercial portfolios remain.

1. **Finance and Budget Issues – Alex Skinner (MHCLG)**

Alex Skinner (MHCLG) attended the meeting and gave an update on issues including:

* Sustainability in 2021/22 and beyond
* Settlement 20/21 including NHB Consultation and the Levelling Up Fund
* Covid Support and implications going forward.
* SR and the Future of Reforms – Alex suggested a further session be arranged to discuss this further and this was agreed for 28th May.

**Action – Angela to arrange**

The Executive discussed the issues and questioned several points. Simone still meets regularly with MHCLG on a Monday and will take up any issues raised.

**Action – Simone to keep members informed of clarification on any issues.**

1. **Audit Issues**
	1. **NAO (Aileen Murphie and Mike Newbury)**

Aileen Murphie presented 2 NAO studies (slides on SDCT Website):

* + Local Government Finance and the COVID19 pandemic (report published).
	+ Timeliness of local audit opinions in England (report due to be published next week).

The Executive discussed both issues but particularly the timeliness of local audit opinions (which has been exacerbated by the COVID10 pandemic). The problems and reasons for the marked deterioration in audit opinions issued have been well rehearsed and reported on, but significant concerns remain over the ongoing and growing impact that this failure is having on Local Government finance functions, with as yet no resolution in sight.

Mike Newbury updated on some of the actions the NAO are exploring in the code guidance to try to assist but stressed the limitations to the actions that can be taken within the regulatory framework. The Executive recognised the restrictions of the regulatory bodies but felt a key part of the solution would be to refocus the audit away from areas that did not add material value to the financial sustainability and management of local authorities (Pensions and PPE being 2 examples).

Aileen reported that this would be her last SDCT meeting as she was retiring at the end of the month. The Executive passed on thanks for the help and the pragmatic approach to the role that she had taken and wished Aileen the very best for the future.

* 1. **PSAA**

Andrew Chappell gave an update on the meeting of the PSAA Advisory Panel from 1st February and notes from a meeting with the DCN on 5th February. Much of the focus is on the subject discussed at 4.1 above (slides on website). The Executive again highlighted the sectors dissatisfaction with the increase in fees being requested from Audit Firms.

1. **Consultation Responses:**
	1. **NHB (MHCLG)**

The NHB consultation closes on 7th April. A draft response circulated by Mark was discussed. Simone will complete the response but highlighted the difficulty in co-ordinating an SDCT response as all Districts will be affected differently.

**Action - Simone**

* 1. **Prudential Code (CIPFA**)

Adrian Rowbotham will draft the SDCT response and circulate it for comment prior to the deadline of 12th April.

**Action - Adrian**

* 1. **Treasury Management Code (CIPFA)**

Tracey Bircumshaw will draft the SDCT response and circulate it for comment prior to the deadline of 12th April.

**Action – Tracey**

1. **Advisor and Sponsor Updates**
	1. **LGA (Bevis Ingram)**

Bevis updated the Executive on a few areas including:

* + The LGA response to the Prudential Code and Treasury Management consultations will be finalised shortly.
	+ Further research into Fragmented Funding and the costs to councils of having to bid to multiple pots for funding. He requested some volunteers who can help identify the additional burden that this places on councils – eg via case studies on specific grants that have been applied for, including those that are not successful. For example covering things like time spent and by whom (including employment of consultants if relevant), and cost of that, including co-ordinating and developing consensus amongst bid partners, time spent in scoping/feasibility work around whether it is appropriate for the council to bid or not, writing and finalising the proposal and achieving executive approval. Also any additional time spent due to monitoring / claiming the grant if approved.

**Action – Volunteers willing to take part to contact Bevis directly.**

* + The LGA are running a series of round tables in partnership with MHCLG to discuss emerging and developing issues in LG finance and engage with the Department to shape policy. Two SDCT representatives have been put forward for the roundtables in March, April, and May.

**Action - SDCT representatives to report back as appropriate.**

* 1. **Link Group (Rob Baxter)**

Rob updated the Executive on the Link responses to the Prudential and Treasury Code Consultations and also on some 20/21 year-end issues that would be a focus for audit.

* 1. **Grant Thornton (Guy Clifton)**

Guy updated the Executive on:

* + Lessons on Recent PIRs <https://www.grantthornton.co.uk/en/insights/lessons-from-recent-public-interest-reports/>
	+ Work on accounting for Covid-19 related grants (on SDCT Website)
	1. **Zurich Municipal (Daniel Moylan)**

Daniel circulated aGlobal Risks Report (*on SDCT Website*) paper in terms of an insurance and risk market update. The Global Risks Report 2021 has just been released by the World Economic Forum and was compiled by some of the world’s leading financial and academic institutions including Zurich.  The Global Risks Report 2021 highlights that the immediate human and economic cost of COVID-19 is severe. It threatens to scale back years of progress on reducing poverty and inequality and to further weaken social cohesion and global cooperation. Job losses, a widening digital divide, disrupted social interactions, and abrupt shifts in markets could lead to dire consequences and lost opportunities for large parts of the global population. The reports points to several areas of particular concerns.

* 1. **CIPFA (Joanne Pitt)**

Joanne updated the Executive on several issues including:

* Prudential Code consultation The closing date for responses is 12 April 2021. Please e-mail your response to policy.technical@cipfa.org.
* Council Tax Survey Briefing available of the CIPFA website
* Free ethics on line module for all CIPFA members available of the CIPFA website
* Discount forSDCT members to CIPFA annual conference
* End of Year LAAP Bulletin will be available shortly
* CFO CIPFA webinar 15 April guest speaker Charlotte Alldritt
1. **Any Other Business -**

**Potential Annual Meeting for wider membership** – The date in May for the wider membership will not be able to go ahead due to lockdown restrictions and will be cancelled. Unfortunately, the October date is no longer possible either due to other commitments and so a new date will be sought.

**Action – Angela**

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

**16th April 2021 (Virtual) – Private meeting**

**PART B – Private Executive Session**

1. **Issues arising from Part A**

The Executive discussed issues arising from the Part A presentations.

1. **Member Issues**
	1. Glen and Mark indicated their willingness to continue to support the SDCT Executive.
	2. David Stanley requested details of Finance Team structures.