

POLICY COMMITTEE | DRAFT MINUTES

Meeting of the Policy Committee held on 28 March 2023 at 10.00 via Zoom.

Present:

Councillors Peter Allison (West Yorkshire), David Francis (committee chair and Northumberland), Lillian Burns (committee vice chair and Cheshire), Richard Page (Gloucestershire), Colin Peacock (Lancashire), Janet Wallace (Dorset); Charlene Slade, county officer, Essex Association of Local Councils and Shelley Parker, policy and external affairs manager, Society of Local Council Clerks.

Also in attendance: Derek Kemp, NALC audit and accounts advisor (for part) and Jake Atkinson, county officer, Leicestershire and Rutland Association of Local Councils (for part).

Staff present: Justin Griggs, head of policy and communications, Chris Borg, policy manager and Fflur Jones, campaigns intern.

1. Welcome and apologies

The committee chair welcomed all attendees to the meeting, an apology from Cllr Keith Stevens, NALC chair was noted.

2. Motions from county associations

2.1 Leicestershire and Rutland Association of Local Councils on Financial Services Compensation Scheme

Jake Atkinson, county officer at the Leicestershire and Rutland Association of Local Councils gave a verbal summary of a motion for NALC to lobby for an increase in the maximum threshold of the definition of “small local authorities” from 500,000 Euros to trigger protections for local councils under the Financial Services Compensation Scheme (FSCS).

During discussion, several points were raised:

- The current rules are not clear around the threshold for local council coverage by the Scheme.
- The current thresholds are based on turnover, not precepts.
- It was recognised that the Scheme provides protection of bank accounts up to a maximum of £85, 000 per account, for eligible councils.

- Clarity is needed by FSCS in future as to the sterling equivalent of the Euros thresholds for the Scheme currently provided.

Resolved: That the motion be supported and that NALC undertake further desktop research including liaising with NALC's audit and accounts advisor regarding FSCS thresholds and their application to local councils.

2.2 Leicestershire and Rutland Association of Local Councils on thresholds for the Smaller Authorities' Transparency Code

Jake Atkinson, county officer at the Leicestershire and Rutland Association of Local Councils gave a verbal summary of a motion to increase the threshold for the Transparency Code for Smaller Authorities from the current £25,000 level from 1 April 2023 to £30,000 and to uplift the limit by the Consumer Price Index each year thereafter.

During the discussion the following points were raised:

- Jake Atkinson clarified that the intention of the motion was wider than the Transparency Code and aimed to increase the £25,000 threshold under which local councils were exempt from routine external audit and were subject to the Transparency Code for Smaller Authorities, adding that this measure had the support of many county associations and had been identified by county officers as a priority issue.
- Cost pressures such as pay and cost of living increases have forced up the number of local councils moving from the lowest to the middle tier of audit and transparency.
- If the threshold is changed for between the lowest and middle transparency tiers, the audit threshold should change too.
- There has been concern about the lack of financial accountability for local councils in the £25,001 per annum to £200,000 per annum audit banding.

Resolved: That NALC lobby for an increase in the £25,000 audit threshold and for the introduction of a transparency code for councils with annual turnover between £25,000 and £200,00, and for sector to promote good practice in internal audit and compliance.

3. Minutes of previous meetings

3.1 Minutes of formal committee session on 25 January 2023

Resolved: That the minutes of the meeting held on 25 January 2023 be agreed and that the words "whatever the quorum of the local council" be inserted to the extraordinary meetings position adopted by the committee at that session, in the policy register.

3.2 Minutes of special committee session on 3 February 2023

Resolved: That the notes from the informal meeting held on 3 February 2023 be agreed.

3.3 Committee vacancies

The committee chair highlighted there was a vacancy on the committee as well as other committees and this would be considered by the next meeting of National Assembly. Councillors Peacock and Burns reported that they would not be seeking re-election on 4 May 2023.

Resolved: That the verbal update be noted and that Cllrs Peacock and Burns be thanked for their service to the committee and NALC in recent years.

3.4 Position of committee vice chair

The committee chair offered thanks again to Cllr Burns also for her invaluable service as vice chair of the committee, and as National Assembly member for Cheshire. It was agreed that the committee vice chair vacancy be considered at an additional meeting of the committee to be held in the second half of May 2023.

Resolved: That the verbal update be noted, that Cllr Burns be thanked for her long service as vice chair of the committee, and that the committee vice chair vacancy be considered at an additional meeting of the committee to be held in the second half of May 2023.

4. Local government finance

4.1 Final local government finance settlement 2023-24.

The head of policy and communications gave a verbal report on the final local government finance settlement 2023-24 which confirmed that following lobbying by NALC that local councils would not be included for the forthcoming financial year in referendum principles for excessive council tax increases. He added this was an issue NALC would continue to lobby on including for permanent or multi-year exemption.

Resolved: That the verbal update be noted.

4.2 Fair and secure funding campaign – verbal update from Funding Task and Finish Group (TFG).

The policy manager gave a verbal report on the first draft business case to underpin lobbying for all local councils to have the same rights as principal councils to apply for central government grant funding.

There was then a short discussion during which the below points were made:

- Every member of the TFG had contributed much to the overall desktop, survey and full business case phases of the group's work.
- The development of the paper broadly completed the work of the TFG which had met remotely four times over the last twelve months.
- Consideration would be given to how the final full business case would be used as an internal or external document.
- Shelley Parker suggested the paper be strengthened with the addition of a series of case studies from NALC's Super Councils Network and offered to undertake this work.

Resolved: That the verbal update be noted, that the Funding Task and Finish Group be thanked for its work over the previous year, that a series of case studies be developed to strengthen the document, that the draft business case be circulated to the committee for comment and the updated draft be considered at an additional meeting of the Committee in late May 2023.

5. Mandatory training for councillors

The policy manager provided a verbal summary of a written report on work to review NALC's policy on mandatory training for councillors. The engagement exercise of several NALC committees and national networks would conclude on 24 April 2023.

So far the exercise has revealed:

- That broadly the formal NALC committees are against NALC adopting a formal policy on mandatory training.
- That broadly the informal NALC National Networks are in favour of NALC adopting a formal policy on mandatory training.
- There is no overall consensus around NALC being asked to formally adopt a mandatory training policy, or amend its current formal policy.

Resolved: That the verbal update be noted and a final report on the review be considered at the June meeting of the Committee.

There was then a ten minute comfort break.

6. NALC campaigns

6.1 Unadopted roads – to consider adopting a policy on local council amenities

The committee chair introduced a paper summarizing a suggested new policy position on local council amenity provision. This had been finalized electronically so this was duly agreed for adoption.

Resolved: That the policy on local council amenity provision be adopted.

6.2 Levelling Up and Regeneration Bill – to consider progress of the Levelling Up and Regeneration Bill and the promotion of local councils and NALC policy objectives

The head of policy and communications spoke to his written report on the latest progress with the Levelling Up and Regeneration Bill and material considerations for local councils. The bill is currently at committee stage in the House of Lords where the NALC President Baroness Scott laid 9 amendments at committee stage.

The latest debates in the Lords have focussed on National Development Management Policies, the role of parliament and the Secretary of State in the planning process, the Infrastructure Levy and related matters. The government had committed to undertake the review of the neighbourhood governance framework promised in the original 2022 White Paper within the next 12 months. The government had also undertaken a short call for information on powers of local council to fund churches.

Resolved: That the report be noted.

7. Responses to consultations

7.1 To note the response to the government's consultation on the National Planning Policy Framework.

The policy manager confirmed that the NALC response to the government's recent consultation on the National Planning Policy Framework had been submitted, and had been cited in a recent Lawyers for Local Government article.

Resolved: That the verbal update be noted.

8. Survey of clerks on the future of local councils 2023

8.1 To consider the results of a survey of local council clerks and culminating report the Future of Local Councils published by the Society of Local Clerks

The committee chair introduced a discussion item on the recently published Future of Local Councils report. This De Montfort University authored piece had been published by SLCC.

There was disappointment expressed that NALC and county associations had not been engaged in the survey design or their views sought in how the report could be structured and promoted.

It was considered further disappointing that there had only been a 6% response rate from local councils' clerks to the report survey, but NALC welcomed the fact that many of the report's recommendations do endorse pre-existing NALC positions.

Resolved: That the report be noted, that the committee expresses its disappointment that NALC was not engaged in the survey design or report structure and promotional aspects of the project, but that in future it would be desirable that both NALC and SLCC collaborate in such major research undertakings in the sector, recognising mutual corporate reach and strengths.

9. Date and time of next meeting

The next scheduled meeting of the Policy Committee will be held virtually on 20 June 2023 but an additional meeting be held in May 2023 to consider the TFG on funding full business case and to elect a new committee vice chair.

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