



## Minutes of the Executive Committee

10<sup>th</sup> January 2025

### Venue: Virtual (Public) Meeting

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

LinkedIn: Society of District Council Treasurers (SDCT)

**SDCT Members in Attendance:** Adrian Rowbotham (President), Angela George (Secretary), Alison Scott, Clare Fletcher, Jon Illingworth, Paul Stone, Bec Maher, Lorraine Rogers, Colleen Warren, David Stanley, Christine Marshall, Hannah Doney, Suzanne Jones, Homira Javadi, Terry Collier, Simon Hewings, Richard Baker, Richard Bates, Peter Catchpole.

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

**Also in attendance:** Nico Heslop (MHCLG) for item 3, Guy Clifton and Sophia Brown (GT), Vicky Davis and Mike Newbury (NAO), Nicola Morton (LGA), Joanne Pitt (CIPFA), Rob Baxter (Link), Andrew Chappell (PSAA).

#### 1. SDCT Executive

**Apologies:** Emma Foy, Christine Marshall.

**Goodbyes:** Emma Foy will be leaving the Executive and the Local Government sector and will be joining Technology One as Director of Local Government. Members thanked her for her input and wished her well in her new role.

#### 2. Minutes of previous meetings:

The minutes of the previous meeting of 6<sup>th</sup> December 2024 were agreed and will be published on the website. All matters arising are either completed or considered elsewhere on the agenda.

#### 3. Financial Issues Update

Nico Heslop (MHCLG) attended to give a brief update. The following issues were discussed:

- The Provisional Local Government Finance Settlement.  
A number of issues were discussed. A particular area of concern from the Executive and LGA was with respect to NICS due to the size of the pot of £515m compared to £637m the LGA calculated is required. The Executive were also concerned about the crude methodology used. This will result in a number of district councils being several hundred thousand pounds underfunded. Nico reported that there would be a consultation post spending review on future years, and acknowledged the settlement had been very late this year.

**Action – Adrian to prepare the SDCT response to the consultation which is due on 15<sup>th</sup> January.**

- LG Devolution / Reorganisation  
The pressures and implications arising from the request for expressions of interest to be part of the process by 10<sup>th</sup> January were discussed widely. Nico reported that there had been more interest than anticipated. This subject will be covered in depth at the SDCT Conference in March.
- As reported at the last meeting, a discussion paper was published on 30<sup>th</sup> October which sets out the government's priority areas for reform of the business rates system.

**Action – David Stanley to draft the SDCT response to the paper by the deadline of March 2025.**

#### **4. Local Government Audit update**

**Vicky Davis (NAO)** reported on relevant NAO reports due:

- PAC Committee report on Homelessness due to be published shortly.
- Financial Sustainability – NAO report will publish end of February.

**Mike Newbury (NAO) and Andrew Chappell (PSAA)** reported on the MHCLG consultation (due by 29<sup>th</sup> January) on Local Audit Reform: a strategy for overhauling the local audit system in England. Andrew circulated slides.



PSAA.pptx

[PowerPoint Presentation](#)

**Joanne Pitt** highlighted some concerns that CIPFA have over the proposed body being responsible for both setting and auditing standards, and that this was not a model adopted in any other country.

It was noted that the next Audit backstop date for councils 2023/24 accounts is 28<sup>th</sup> February 2025.

**Action – Richard Baker and Paul Stone to prepare the SDCT response to the Local Audit Reform Consultation by 29<sup>th</sup> January**

#### **5. SDCT Conference 20<sup>th</sup> and 21<sup>st</sup> March 2025**

The draft flyer for the event was agreed and will be sent out. An agenda will be drawn up soon.

**Action – Angela / Clare to progress**

#### **6. Upcoming Consultations:**

The following consultations have been issued and responses are due as follows:

- Provisional LGF settlement (15 Jan)

- HCLG Committee call for evidence on funding and sustainability of local government finance (27 Jan)
- MHCLG audit reform (29/1)
- Spending review (9 Feb)
- Funding Reform (12 Feb)
- CIPFA accounting code 2025/26 (14 Feb)
- Transforming business rates (end Feb)

**Action – relevant SDCT advisor to respond to consultations by given dates**

## 7. External Advisor updates:

### LGA:

Nicola Morton updated the Executive on the current work of the LGA including:

- the consultations that they will be responding to (see 6.).
- the WGA deadline had passed yesterday.
- The LGA mentoring scheme is underway [Chief Finance Officer \(CFO\) Mentoring Scheme | Local Government Association](#)

### Grant Thornton:

Guy Clifton and Sophia Brown updated on current GT work.

<https://www.grantthornton.co.uk/insights/local-government-reorganisation-lessons-from-new-unitaries/>

83% of GT audits had been completed by the backstop date and 99% of VFM conclusions for 22/23 or earlier.

### Link:

Rob Baxter reported:

- Link would be changing their name from 27<sup>th</sup> January and will become MUFG.
- IFRS 9 override will potentially end on 31<sup>st</sup> March (dependent on consultation outcome). If affected, please contact Link.
- IFRS16 – A webinar will be arranged free of charge for the SDCT wider membership

**Action – Rob / Adrian to arrange date (ASAP) and details**

### CIPFA:

Jo Pitt reported on current CIPFA initiatives including:

- Resilience Index

Clare raised an issue on the resilience index with regards to the treatment of HRA debt and interest – the index incorrectly measures General Fund net expenditure against ALL council interest including HRA which gives a totally misleading picture of risk.

Similarly, HRA and General Fund debt is reported as overall debt of the Council when large numbers of Councils do not have HRA's, it is not reasonable comparison to have HRA and non HRA Councils on that same risk measure. The current approach of including the HRA not only makes financial risks appear greater for stock holding authorities than is actually the case but also leads to the

appearance of a lower risks for non-stock holding authorities, where the risks could be greater than they appear in the model.  
Finally changes or reductions in HRA reserves will show as an increased risk to the General Fund along with the HRA taking more debt in line with any business plan.

**Action – Clare to feedback to CIPFA on Resilience Index to give a fairer reflection of risk and resilience for stock holding authorities.**

- Retreat for Deputy CFOs planned for 24<sup>th</sup> and 25<sup>th</sup> April. Important for succession planning.

#### **8. SDCT Executive - Advisor updates**

There were no further updates from the Executive.

#### **9. Any Other Business**

- None

#### **10. DONM – 20<sup>th</sup> and 21<sup>st</sup> March, Warwick Conference Centre.**

#### **11. Private Executive Business:**

- **SDCT Vice President Elections.**

Following the election process the following appointments will be made and will take effect from the handover in March:

Vice President – David Stanley

Second Vice President – Suzanne Jones

The Executive expressed their congratulations to both.

Jon Illingworth will become President in March and Adrian Rowbotham will remain as one of the officers of the society as Past President. The constitution will be changed to reflect the formal addition of the past president to the officers and will assist in retention of knowledge and experience. It was considered that the term of appointment would be one year rather than the current 2-year term.

**Action – Angela to draft changes to the Constitution**

- **Executive Vacancies**

There are currently 3 Executive vacancies, and this will be targeted at the Conference in March.

**Action – Adrian / Jon**

- **Sponsorship Proposals**

The Executive agreed to the addition of LG Futures as an SDCT sponsor.

**Action – Clare to progress.**