**Society of District Council Treasurers**

**Minutes of the Executive Committee held on 24th October 2014**

**At the CIPFA Offices, Robert Street, London**

**In Attendance:**  Peter Stuart (President), Angela George (Secretary), Bob Palmer, Frank Wilson, Simone Donaghy, Norma Atlay, Jane Kitchen, Steve Richardson, Alan Peach, Rob Bridge, William Jacob, Jo Wagstaffe, Sanjiv Kohli, Jill Penn, Kevin Jaquest.

**Also in attendance:** Bevis Ingram(LGA), James Russell and Rob Kerridge (Capita), Mike Suffield and Richard Baynham (NAO), Sally Marshall (DCEN), Martine Waterman and Jon Hayes (Audit Commission).

1. **Apologies / Introductions**

**Apologies** were received from – Shirlene Adam, Sandra Cowley, Nick Eveleigh, Jason Vaughan, Chris Brewer, Chris Mills, Andrew Crookham, Nick Edwards, Dean Langton, (Martin Henry).

Also: Cecilie Booth (Capita)

Sanjiv Kohli was welcomed to his first meeting of the Executive.

1. **Minutes of Previous Meeting and actions arising**

Minutes of the previous meeting of 12th September 2014 were agreed.

Frank gave an update on progress with the handover arrangements for the Treasurer’s role, particularly in respect of banking signatory arrangements. Once these are concluded with the bank the handover will be concluded. Martin will ensure he hands over an up to date position and the outstanding SDCT Accounts will be presented shortly.

**Action – Frank Wilson / Martin Henry**

James Russell from Capita advised that they had a couple of authorities willing to act as reference sites for their new business rates modelling system.

All other outstanding actions have been actioned or picked up elsewhere on the agenda.

1. **Financial Settlement 2015/16 onwards**
	1. It was noted that the Independent Commission on Local Government Finance would be reporting very shortly on their review. Following the discussion at the last Executive meeting, the SDCT had submitted a response (attached).

**Action – Sandra Cowley to continue to act as lead advisor on this work stream.**

1. **Business Rates Retention Scheme**

Steve Richardson updated members on some of the key issues discussed at the Business Rate implementation working group (attached). The consensus was the scheme was still ‘under development’ and that it was likely to be 12 months or more before all the learning from the scheme was completed. In particular the impact of large appeals, reserves and cash flow positions would need to work their way through the system. Steve reported that the DCLG were ‘considering’ these issues.

**Action – Steve Richardson to keep members updated on any issues emerging.**

1. **Housing Benefit Issues:**

**SFIS / Fraud and Error**

Dean Langton had attended the meeting with DWP and other representatives and the note is attached. The Prime Minister has issued a challenge to get Fraud and Error down to 1.7% of the total benefits bill by 2015 and ways of doing this together with the barriers to achieving this were discussed. The transfer of responsibility for fraud to the Single Fraud Investigation Services had created some uncertainty around which cases will take priority in investigation. The roll out of SFIS was continuing but there were still a number of uncertainties leading up to the transfer date (December 2014 for some authorities).

**Universal Credit**

The roll out of Universal Credit is still unclear with authorities seemingly liaising directly with their local DWP offices.

It was suggested that the DWP be invited along to the SDCT General Meeting in January to try to gain some clarity over the roll out programmes for Universal Credit and SFIS. Bevis Ingram offered to approach the DWP for an appropriate speaker.

**Action - Bevis Ingram to approach the DWP for a speaker for the SDCT General Meeting in January.**

1. **Audit Update**

The Executive considered a note circulated by Bob Palmer (attached).

* 1. **Audit Commission**

Bob circulated a response from the Audit Commission to the issues raised at the previous Executive meeting relating to the apparent inconsistencies from different auditors to the Business Rates appeal provisions in the 2013/14 accounts. The response from the Audit Commission concluded that they had ‘kept this issue under regular review, with meetings with the technical leads from each of the audit suppliers across the summer. From those meetings it was clear that all firms were being consistent in their expectation that authorities provide evidence of how they had considered the issue of NDR appeals not made that could be made, and whether a reliable estimate of these could be made’. The Audit Commission do not therefore think there has been any inconsistency in approach...

With regards to the additional charge for the NDR work, this has been agreed by the AC at £900.

Marcine Waterman and Jon Hayes were in attendance and updated the Executive on progress with transferring the AC functions and the implications of the new framework (slides attached). Marcine reported that there would be a further 25% reduction in Audit Fees arising from the recent 2014 audit procurement exercise. The Executive queried how this could realistically be achieved especially in the light of the bringing forward of the Accounts closure timetable and whether this would result in a large number of temporary audit contract staff being employed over the shortened period.

This was Marcine’s last attendance as Controller of Audit of the Audit Commission. The Executive thanked her for her input over the years and wished her well for the future. Jon Hayes requested whether he could attend future meetings of the Executive in his new role as he was being transferred to the transitional body, the Public Sector Audit Appointments Ltd (PSAA).

* 1. **National Audit office**:

Mike Suffield provided an update on the NAO programme of work including the financial sustainability work which would report in mid to late November. He also advised of the consultation on the 2015/16 Code of Audit Practice (there were few changes from the previous Code).

Richard Baynham was in attendance and briefed the Executive on the Housing Benefit report that had just been published and particularly the trends in fraud and error. There were a number of comments on the report particularly in relation to the interaction of the current subsidy regime on fraud and error and the conclusion of the report that the DWP had not done enough to make the system effective. It was noted that given all of the changes coming up with UC and SFIS that the system would be changing substantially. It was also noted that there was a PAC meeting due to meet next week on the issue.

**Action – Bob Palmer to consider a response to the 2015/16 Code of Audit Practice**

1. **Capita**

James Russell and Rob Kerridge from Capita Asset Service gave a presentation (attached) on a number of initiatives that Capita are developing to assist Councils with their financial savings. The slides are available on the SDCT website.

**8. Advisor Reports**

8.1 Recycling Reward Scheme (note attached)

8.2 Municipal Bond Agency – invite to next meeting in December.

8.4 Recycling Credits – County proposals to reduce the payments being made to Districts.

**9. Reports from External Bodies / Sponsors:**

**9.1 DCEN** –Sally Marshall gave an update on some of the key issues.

**9.2 LGA / SOFI / ALATS**

Angela George had attended the LGA meeting on 16th October. The minutes would be circulated in due course but the main items discussed were:

* The LGA’s submission on the Autumn Statement,
* The 2015/16 finance settlement (expected date 17th December). Issue of multi-year settlements
* The interim results of the finance commission work
* Review of the Bellwin Scheme
* Surveys on Council Tax Support and Business Rates
* Financial Sustainability
* Code of Audit Practice

Peter Stuart had attended the SOFI meeting on 26th September. All of the issues discussed had previously been discussed on the agenda.

1. **Any Other Business:**

10.1 A draft of the agenda for the General Meeting on 10th January 2015 had been circulated. Various proposals for sessions and speakers were discussed and Angela George will co-ordinate the final agenda for circulation to the membership.

**Action – Angela George to finalise agenda and circulate to the wider membership.**

10.2 A number of other issues were raised and discussed by the Executive including;

* A request for a good ‘recharges’ spreadsheet.
* A request for a guide to procurement good practice.
1. **Date of Next Meeting** – 5th December 2014, Robert Street, London
2. **Part B – Private Executive Business**

12.1 **SDCT Constitution**

 Subject to a few minor amendments, the Constitution was agreed.

 **Action – Angela George to finalise and place on the website.**

12.2 **Advisor Roles**

It was agreed that Health would be added as an advisor area and Jill Penn would undertake this role.

**Action – Angela George to update and circulate.**

12.3 **Dates for 2015**

 Amended dates agreed.

 **Action – Angela George to amend and circulate.**

12.4 **Executive Vacancy**

It was noted that there was currently one vacancy and this would be advertised shortly.

**Action – Angela George**

12.5 **Subscription Proposals 2015**

Frank Wilson circulated a proposal for subscriptions. Following discussion the recommendations were agreed i.e. that the fee for 2014/15 remain at £200 for a single authority and £300 for a joint authority (shared S151). This will be recommended to the membership at the General Meeting in January.

**Action – to be added to the General Meeting agenda for approval by the membership in accordance with the Constitution.**