

## Note of last Board of Directors of the Local Government Association (The Leadership Board) meeting

---

**Title:** Board of Directors of the Local Government Association (The Leadership Board)  
**Date:** Wednesday 5 June 2019  
**Venue:** Smith Square 1&2, Ground Floor, 18 Smith Square, London, SW1P 3HZ

---

### Attendance

An attendance list is attached as **Appendix A** to this note

Item	Decisions and actions	Action
<b>1</b>	<b>Chairman, Notice and Quorum</b>  The Board confirmed Lord Porter of Spalding CBE as Chairman for the meeting, that the meeting was quorate and that adequate notice of the meeting had been given.  There were no apologies for absence.	
<b>2</b>	<b>Declarations of Interest</b>  Each Director present confirmed that they had no further direct or indirect interest in the transactions and arrangements to be considered at the meeting, or which the Company had entered into, which they were required to declare by Section 177 or Section 182 of the Companies Act 2006 as amended, or by the Articles of Association.	
<b>3</b>	<b>Duties of Directors</b>  Each Director noted that under Section 172 of the Companies Act 2006, they must act in a way they consider, in good faith, would most likely to promote the success of the Company, for the benefit of its members as a whole and in doing so have regard (amongst other matters) to certain factors set out in that section; and under that section they must exercise independent judgement.	
<b>4</b>	<b>Local Elections and LGA Political Balance 2019/20</b>  Claire Holloway, Head of Corporate Services, introduced the report which set out the definitive figures for the LGA's proportionality for 2019/20. The report set out the new proportionality and its implications for the distribution of seats amongst the political groups on the LGA's governance structures.  In particular Members noted that, as in the previous two years, one	

additional place had been negotiated for each group on the Leadership Board. Therefore the Leadership Board for 2019/20 would comprise of five Conservatives, five Labour, two Liberal Democrats, and two Independents.

#### **Decision**

The LGA Leadership Board **endorsed** the proportionality figures for the 2019/20 meeting year.

#### **Action**

Political groups to agree the allocation of places across all LGA structures (**Paul Goodchild**).

### **5 Local Government Preparedness for Brexit**

Cllr Kevin Bentley, Chairman of the LGA's Brexit Task Force, introduced the report which set out local government work on Brexit which had been undertaken to date, and potential key issues following the extension of Article 50 to 31 October 2019.

In particular he highlighted that there was little progress on the UK successor to EU funds, UK Shared Prosperity Fund (UKSPF). The LGA was in discussion with MHCLG and the Secretary of State on this matter which is now urgent. Members also noted that the LGA was working with partners in the devolved nations on this issue. The LGA was also continuing to ask for further devolution below Whitehall and a UK replacement structure for the Committee of the Regions, where decisions with an impact on local government could be considered.

In the discussion which followed Members raised the following points:

- It was noted that the LGA policy line was UKSPF to be devolved to councils.
- It was confirmed that more work would be done on the potential impact of Brexit on migration.

#### **Decision**

The LGA Leadership Board **noted** the work which had been undertaken to date, and the work on preparedness for the further work on Brexit.

### **6 LGA General Assembly: Motions for Annual Meeting**

Claire Holloway, Head of Corporate Services, introduced the report which set out a Motion which had been received from Bristol City Council on UN Sustainable Development Goals. A copy of the Sustainable Development Goals was tabled.

Members were asked if the Motion should go forward for consideration at the General Assembly and, if so, who would respond on behalf of the LGA and which Board(s) should take forward any future work on the issue.

In discussion, members acknowledged the breadth of the topic and the importance of ensuring any LGA response is meaningful and given sufficient priority. Members put forward a number of suggestions for which

LGA Board(s) would take forward work following the General Assembly but delegated the final decision to the Chairman and Group Leaders.

#### **Decision**

The LGA Leadership Board:

1. **Agreed** that the Motion should be referred for debate at the General Assembly on 2 July 2019;
2. **Agreed** that the new LGA Chairman should respond to the Motion on behalf of the LGA; and
3. **Delegated responsibility** to the Chairman and Group Leaders to decide which LGA Board(s) would take forward work following debate of the Motion at the General Assembly.

#### **Action**

Motion to be added to the agenda for the LGA General Assembly on 2 July 2019 (**Paul Goodchild**).

### **7 LGA President and Vice-Presidents 2019-20**

Lee Bruce, Head of Public Affairs and Stakeholder Management, introduced the report which set out the Members of the House of Commons, House of Lords, and European Parliament that the LGA would be inviting to be honorary Vice-Presidents for the 2019/20 parliamentary session. It also invited the Leadership Board to endorse the nomination of Lord Kerlake as President of the LGA for a further year. The President would be formally elected at the LGA's General Assembly on 2 July 2019.

#### **Decision**

The LGA Leadership Board:

1. **Endorsed** the nomination of Lord Kerlake as President of the LGA for a further year; and
2. **Noted** the nominations of Vice-Presidents by the four political groups.

#### **Action**

General Assembly to be invited to elect the President for a further year and to note the appointments of the Vice-Presidents by the Political Groups (**Lee Bruce**).

### **8 2019 Annual Report of the Audit Committee**

Claire Holloway, Head of Corporate Services, introduced the report which provided an overview of areas reviewed and work undertaken by the Audit Committee in 2018/19, in accordance with the Committee's terms of reference. The Audit Committee had agreed the report at their meeting on 3 June 2019, subject to one minor amendment to paragraph 11, which replaced the phrase "Performance Improvement Observations" with "recommendations on the audit control environment".

#### **Decision**

The LGA Leadership Board **endorsed**, and **commended** to the General

Assembly, the 2019 Annual Report of the Audit Committee as amended.

**Action**

The annual report to be presented to the General Assembly on 2 July 2019 (**Claire Holloway**).

**9 Business Rates Retention and Fair Funding Review Update**

Nicola Morton, Head of Local Government Finance, introduced the report which provided a summary of progress on the Fair Funding Review and Business Rates Retention work programme since the previous meeting. This included a meeting of the officer-led LGA/MHCLG Business Rates Retention Steering Group and the System Design Working Group.

Members noted that LGFutures had been commissioned to produce a model showing how the alternative administration model might work, and this would be discussed at the Business Rates Retention and Fair Funding Review Task and Finish Group on 6 June 2019. It would then be presented to the Chairman and Group Leaders for sign off prior to publication on the LGA website.

**Decision**

The LGA Leadership Board **noted** the report.

**10 Government's Green Paper on Prevention**

Sally Burlington, Head of Policy, introduced the report which provided an update on the expected publication by the Government of a Green Paper on prevention. The LGA was continuing to lobby to influence the content of the paper through various routes, and would formally respond once it had been published. In the meantime the LGA was building evidence through work on the Spending Review.

In discussion Members raised the following points:

- We need to be clear that prevention will deliver savings, but usually not to the service which makes the investment – so need to make the case that investment should come from the organisations which will benefit rather than having to be funded by councils.
- We need to embed prevention in local government by suggesting that HWBs sign off local prevention strategies, and also the local implementation plans for the NHS. Need to emphasise public health is a key delivery vehicle for the prevention strategy. But be careful not to ask just for more responsibilities without the funding to pay for them.
- Effective prevention goes much wider than even public health – for example Troubled Families is a great example which requires council leadership. Youth services are another example.
- We need to emphasise the available evidence. Recent IFS research on Sure Start should be cited – all the savings accrue to the NHS but councils are having to cut.

**Decision**

The LGA Leadership Board **noted** the report regarding the expected publication of the Government's Green Paper on Prevention.

**Action**

Members' comments to be incorporated into the approach to influence and respond to the Green Paper (**Sally Burlington**).

**11 Exit Payments Cap**

Naomi Cooke, Head of Workforce, introduced the report which summarised proposals to cap public sector exit payments as they related to local government, which were now subject to consultation.

Members noted the main concerns with the cap, which included legal risks, industrial relations concerns, and potential unintended consequences for employers. Political Group offices would be consulted before a final response was submitted, and the LGA would encourage councils and other administering authorities to submit similar responses.

Members agreed that while the consultation was unclear, the LGA was very clear in response. It was agreed that restructuring in local government was a necessary response in current circumstances and this needed to be reflected. In addition, there were a number of areas where clarity in the consultation should be sought, including the example of schools where the decision maker was not identified and teachers and support staff potentially had different decision makers.

**Decision**

The LGA Leadership Board **noted** the update and **approved** the approach to respond.

**Action**

Consultation response to be developed in line with Members' comments and submitted following clearance from LGA political group offices (**Naomi Cooke**).

**12 Performance Reporting 2018/19: Six Month Monitoring Report**

Claire Holloway, Head of Corporate Services, introduced the report which presented a summary of the LGA's performance against its Business Plan and its internal priorities over the period 1 October 2018 to 31 March 2019. Claire highlighted that all finance and policy objectives were on track to be delivered, that one of the two remaining indicators agreed with MHCLG was now complete, with the other partially delivered and that no major data breaches had been reported to the Information Commissioner's Office over the period.

**Decision**

The LGA Leadership Board **approved** the six month monitoring report.

**13 Gender Pay Gap Report and Action Plan**

Claire Holloway, Head of Corporate Services, introduced the report which presented the most recent LGA gender pay gap data as at April 2019. Members noted that there was a downward trend in the gender pay gap since 2017, but the median figure of 25.85 per cent was still higher than the national overall median figure of 18.4 per cent. An action plan was in place to address the issue, which had been shared with staff.

In response to a question on staff increases over the period, it was explained that this was specifically related to grant funded programmes.

**Decision**

The LGA Leadership Board **noted** the LGA's gender pay gap figures and asked for a further update report to be brought in due course.

**14 Chief Executive's Report - June 2019**

Mark Lloyd, Chief Executive, introduced the report which set out the LGA's main achievements against the Business Plan since the previous meeting in April 2019.

In particular he highlighted recent evidence to the MHCLG Select Committee on financial sustainability of councils, the ongoing work on cladding following the Grenfell Tower tragedy two years ago, continued work by local authorities to best use the apprenticeship levy, the recent EU elections which had been held by local authorities at short notice, and that the Local Government Mutual was now open for business.

**Decision**

The LGA Leadership Board **noted** the Chief Executive's report for June 2019.

**15 LGA Forward Plan**

The Chairman introduced the Forward Plan, which set out the agendas for the LGA Leadership Board, the LGA Executive, and Councillors' Forum for the next three months.

**Decision**

The LGA Leadership Board **agreed** the Forward Plan.

**16 Minutes of the previous meeting held on 3 April 2019**

**Decision**

The LGA Leadership Board **agreed** the minutes of the previous meeting held on 3 April 2019.

**17 Note of the previous Commercial Advisory Board held on 1 April 2019**

**Decision**

The LGA Leadership Board **noted** the minutes of the Commercial Advisory Board held on 1 April 2019.

## 18 Audited Financial Statements for the Year 2018/19

Jonathan Gratte, Strategic Finance Manager, introduced the report which set out the consolidated financial statements for the LGA Group for the year ended 31 March 2019. The statements were presented for the Leadership Board to agree, prior to their adoption at the LGA General Assembly on 2 July 2019. The financial statements for IDeA, LGA (Properties) Ltd, LGMB, and LGA Commercial Services Ltd were presented for review prior to their presentation to their respective company boards. Separately, it was noted that the unaudited dormant accounts for the new LGA unlimited company for the period to 31 March 2019 will be signed off by Lord Porter on behalf of the Leadership Board.

Alastair Duke, Partner at the LGA's auditor PKF Littlejohn LLP, added that the statements had received an unqualified audit opinion and ran through the Audit Findings report with Members.

There followed a confidential discussion.

### Decision

The LGA Leadership Board:

1. **Agreed** the LGA consolidated financial statements and approved their submission for adoption at the LGA General Assembly on 2 July 2019;
2. **Reviewed** and **noted** the financial statements for IDeA, LGA(P), LGMB and LGACS;
3. **Reviewed** and **noted** the external auditors' report to the Leadership Board; and
4. **Approved** the Representation Letter.

### Action

Consolidated financial statements to be presented for adoption at the LGA General Assembly on 2 July 2019.

## 19 2019 Spending Review - Update

Sarah Pickup, Deputy Chief Executive, introduced the report which provided an update on the LGA's planned activity ahead of the 2019 Spending Review.

There followed a confidential discussion.

### Decision

The LGA Leadership Board **noted** the report on the LGA's approach to the Spending Review work programme.

## 20 Communications Annual Report: Summary of Performance for 2018/19 and Report for October 2018 to March 2019

David Holdstock, Director of Communications, introduced the report which

provided an update on the LGA's communications activity for 2018/19 and progress on the LGA's corporate campaigns for the second six months of the year.

**Decision**

The LGA Leadership Board **noted** the communications activity for the year 2018/19 and details for the period October 2018 to March 2019.

**21 LGA Annual Conference and Exhibition 2019**

David Holdstock, Director of Communications, and Amanda Spicer, Deputy Head of Events, introduced the report which set out progress made with the arrangements for the LGA Annual Conference and Exhibition which would take place in Bournemouth from 2 to 4 July 2019, including the updated draft programme.

Members discussed holding a session at the Conference for female councillors to discuss increasing levels of abuse and intimidation they had experienced. This session would be followed by a session for all councillors the following day, where the LGA's guide for councillors on handling intimidation, threats and personal safety would be launched. Members shared a number of examples of threats and intimidation, and agreed that it would be valuable for the LGA to undertake a piece of work on practical ways to highlight and address the issues.

**Decision**

The LGA Leadership Board **agreed** the final programme and activities for the LGA Annual Conference and Exhibition 2019, subject to their comments.

**22 LGA Conference Publication**

David Holdstock, Director of Communications, introduced the report which included the most recent draft of the LGA's 2019 annual conference report for Members' comments.

**Decision**

The LGA Leadership Board **agreed** that the Annual Conference report should be amended in line with their comments, and that the Chairman and Group Leaders would agree the final version of the report.

**Action**

Annual Conference report to be amended and published at the LGA Conference following final sign off by the Chairman and Group Leaders(**David Holdstock**).

**23 Committee on Standards in Public Life - Local Government Ethical Standards**

Abigail Gallop, Senior Adviser, introduced the report which summarised recommendations from the Committee on Standards in Public Life regarding local government ethical standards, as well as potential LGA



responses to the recommendations. This included a recommendation from the CSPL for the development of a new model code of conduct.

There followed a confidential discussion.

**Decision**

The LGA Leadership Board **agreed** the recommendations set out in the report, subject to their comments.

**24 Delegation of Authority in Respect of Nomination of Director(s) to the Local Government Mutual Limited Board**

Claire Holloway, Head of Corporate Services, introduced the report which sought approval from the Leadership Board to delegate authority to the Chairman and Group Leaders to nominate one or more LGA representatives to join the Board of the Local Government Mutual.

**Decision**

The LGA Leadership Board **resolved** to delegate to the Chairman and Group Leaders the power to nominate candidate(s) as they think fit in their absolute discretion for appointment as Member Director(s) to the Board of the Local Government Mutual.

**Action**

A short report will be presented to the Chairman and Group Leaders setting out the number and criteria for nominations by the end of June 2018.

**25 Close of Meeting**

The Chairman closed the meeting.

Cllr Nick Forbes CBE, Senior Vice Chair, proposed a vote of thanks to the Chairman, Lord Porter, on the occasion of his last LGA Leadership Board meeting. He thanked Lord Porter on behalf of the LGA for his clear focus on delivering for local government over his four years as Chairman and highlighted some notable events which had taken place, including Lord Porter's leadership following the tragic events at Grenfell Tower in 2017. The Leadership Board all expressed their gratitude to Lord Porter.

## Appendix A - Attendance

Position/Role	Councillor	Authority
Chairman	Lord Porter of Spalding CBE	South Holland District Council
Senior Vice-Chairman	Cllr Nick Forbes CBE	Newcastle upon Tyne City Council
Vice-Chairmen	Cllr James Jamieson Cllr Howard Sykes MBE Cllr Marianne Overton MBE	Central Bedfordshire Council Oldham Metropolitan Borough Council Lincolnshire County Council
Deputy Chairmen	Cllr Izzi Seccombe OBE Cllr Paul Carter CBE Cllr David Simmonds CBE Cllr Robert Alden Cllr Michael Payne Cllr Anne Western CBE Cllr Peter Box CBE Cllr Anntoinette Bramble Cllr Ruth Dombey OBE Cllr Clive Woodbridge	Warwickshire County Council Kent County Council Hillingdon London Borough Council Birmingham City Council Gedling Borough Council Derbyshire County Council Wakefield Metropolitan District Council Hackney London Borough Council Sutton London Borough Council Epsom and Ewell Borough Council
In attendance	Cllr Kevin Bentley	Essex County Council
LGA Officers	Mark Lloyd Sarah Pickup Claire Holloway  Ian Hughes Sally Burlington Nicola Morton David Holdstock Lee Bruce  Amanda Spicer Jonathan Gratte Alistair Duke Naomi Cooke Abigail Gallop Paul Goodchild	Chief Executive, LGA Deputy Chief Executive, LGA Company Secretary and Head of Corporate Services, LGA Head of Policy, LGA Head of Policy, LGA Head of Local Government Finance, LGA Head of Communications, LGA Head of Public Affairs and Stakeholder Management, LGA Deputy Head of Events, LGA Strategic Finance Manager, LGA Partner, PKF Littlejohn LLP Head of Workforce, LGA Senior Adviser, LGA Member Services Manager, LGA