

## **LGA Leadership Board – Review of the Year 2017/18**

### **Purpose of report**

For discussion.

### **Summary**

The 2012 audit of the LGA's corporate governance arrangements recommended the introduction of an annual self-appraisal by the Boards to "reflect upon the preceding twelve months in terms of what has been achieved, progress against plan, what went well and lessons learnt".

This report summarises the work that the Leadership Board has undertaken in the twelve months from July 2017 to July 2018.

### **Recommendation**

That the LGA Leadership Board reviews its work and programme of meetings over the past year, considers lessons learned and highlights any changes or new approaches it would wish to see.

### **Action**

Officers to take action in line with the Board's recommendations.

**Contact officer:** Paul Goodchild  
**Position:** Member Services Manager  
**Phone no:** 020 7664 3005  
**Email:** Paul.Goodchild@local.gov.uk

## **LGA Leadership Board – Review of the Year 2016/17**

### **Background**

1. Under its terms of reference, the LGA Leadership Board's purpose is to develop the strategic priorities of the Association in consultation with member councils and LGA Boards, and make recommendations to the LGA Executive.
2. The LGA's seven priorities are set out in the 2017/18 Business Plan: Britain's exit from the EU; Devolution and Funding for local government; Inclusive growth, jobs and housing; Children, education and schools; Adult Social Care and Health; Supporting Councils; and being a Single Voice for Local Government.
3. The LGA Leadership Board directs the LGA's business and holds the LGA to account on its performance against these priorities.

### **Business Plan**

4. Over the summer 2017, Leadership Board contributed to the development of an updated set of priorities for inclusion in the 2017/18 Business Plan. Members requested a greater emphasis on devolution which should sit alongside the Brexit work, housing and homelessness, and additional infrastructure. Members also suggested that Board chairs have a greater involvement with monitoring performance against the Business plan.
5. Alongside performance monitoring reports, the monthly Chief Executive's report sets out the LGA's main achievements against the business plan priorities and key corporate indicators, including membership and communications, enabling the Board to hold the Chief Executive to account against the delivery of the business plan. It also updates the Board on any emerging work or issues.

### **Autumn Budget 2017**

6. The Leadership Board considered the LGA's formal submission to the 2017 Autumn Budget and made a series of recommendations for the LGA's lobbying lines prior to the Government's announcement. The key announcement was a package of proposals to improve the UK's housing situation, but the statement lacked any announcement for social care.

### **Local Government Finance Settlement, Fair Funding Review and Business Rates Retention**

7. The Leadership Board spent a high proportion of time working on local government finance throughout the year. The Board reviewed the LGA's response to the Government's technical consultation on the 2018/19 local government finance settlement, and through the Chief Executives report kept oversight over the LGA's lobbying lines. Key positive announcements included: an increase in the general council tax referendum limit; a consultation on options to address the negative revenue support grant; and ten new 100 per cent business rates retention pilots for 2018/19. It was also announced that 75 per cent business rate retention would be introduced for all councils from April 2020.
8. The Board's work on this priority included keeping oversight of the Business Rates Task and Finish Group and the Fair Funding Review Working Group's work, alongside the LGA's own workplan.
9. The Board reviewed emergent propositions for the basis of fair funding review; discussed and procured the development of two LGA technical models to help authorities analyse the implications of approaches to reflecting council tax in the Fair Funding Review and how future funding shares might work in a number of scenarios; heard updates on the business rates retention timescales and implications; and heard updates on the development of a new Children's Social Care Formula.

### **Britain's exit from the EU**

10. The Leadership Board oversaw the LGA's work on Brexit, including monitoring the LGA's Brexit Task and Finish Group and developing the LGA's 'asks', particularly around local government's role in law making when the UK leaves the EU, structural funding, and councils' involvement with air and sea ports post-Brexit.

### **Fire Governance**

11. The Leadership Board steered the LGA's work on how the LGA should respond to changes in fire governance resulting from the Policing and Crime Act 2017, particularly regarding the transfer of fire governance from some Fire and Rescue Authorities to Police and Crime Commissioners.
12. The Leadership Board heard an update on the changing landscape for fire governance, the LGA's position as the single English stakeholder on the Employers' side of the UK-wide National Joint Council (NJC), and the potential impact on the relationship between the LGA and individual Police and Crime Commissioners (PCCs) who assumed responsibility for fire and rescue services.

### **Commercial Activity**

13. The Leadership Board continued to note reports from the Commercial Advisory Board and hear updates on the progress of the development of a joint venture to deliver an insurance mutual.
14. The Leadership Board oversaw the start-up of a new company within the LGA Group, LGA Commercial Services Ltd, which was created to allow the LGA to form a Joint Venture with Regis and to support future commercial activities, and approved the company's funding.

### **LGA structure and governance**

15. The Leadership Board reviewed, contributed to and agreed the agenda for the LGA's General Assembly 2018, and endorsed the nomination of Lord Kerlake as President of the LGA for a further year. The President was formally elected at the LGA's General Assembly on 3 July 2018.
16. The Leadership Board endorsed the Annual Report of the Audit Committee and recommended it to General Assembly where it was approved.
17. The Leadership Board received an update on the LGA's Associate members and agreed the inclusion of a broad provision for Associate schemes in the supporting Governance Framework to the Articles of Association of the new company.
18. The Leadership Board approved an application from the National Association of Police, Fire and Crime Panels to form an LGA Special Interest Group (SIG).

### **Membership**

19. The Leadership Board received regular updates on membership via the Chief Executive's report and in October 2017 agreed that subscriptions would not change for the coming year.

### **LGA Political Balance**

20. Following the local government elections on the 3 May 2018, the Leadership Board reviewed the process for agreeing the new political balance and the balance itself, which forms the basis of the proportionality for the LGA's governance structures for 2018/19. At the point of calculation the Conservatives were the largest group, retaining the Chairmanship of the Association for the 2018/19.

### **Finance reporting and Budget Framework**

21. The Leadership Board retained oversight of internal and external financial decisions, the LGA Group's budget framework and received regular reports on the LGA's financial performance. The Board also formally agreed the consolidated financial statements for 2017/18 prior to their adoption at the LGA General Assembly on 3 July 2018.

22. The Leadership Board also noted a report on the LGA's Treasury Management investment performance for the year to 31 December 2018.

### **Property Boards**

23. The Leadership Board continued to receive regular updates from the work of the two property boards: LGMB and LGA (Properties).
24. The Leadership Board continued to oversee the completion of the 18 Smith Square refurbishment, and the building handback process to the LGA, in addition to the marketing strategy for letting the remaining floors.
25. The Leadership Board continued to oversee the refurbishment of Layden House throughout the year, including the appointment of the main contractor Gilbert Ash, and kept oversight on project milestones despite delays in Transport for London's response to the LGA's licence application, London Borough of Islington's final planning approvals, and the discovery of vaults underneath Turks Head Yard.

### **LGA Annual Conference**

26. The Leadership Board continued to take on feedback from past LGA Annual Conferences, specifically the 2017 Conference, and focused on potential options for preferred venues for 2021 and beyond looking at costs and benefits to geographical spread.
27. The Leadership Board received drafts and contributed to the final programme for the 2018 Conference.

### **Communications and Public Affairs**

28. The Leadership Board commented on and approved the communications strategy for 2017/18 to 2019/20, and heard performance to date against targets for the previous period, as well as priorities and work for the next three years. The Board also continued to note updates on the LGA's communications activity and progress on corporate campaigns regularly throughout the year.
29. The Leadership Board approved a list of 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 2018/19 parliamentary session.
30. The Leadership Board reviewed the annual Perceptions Survey, noted the general positive trajectory of the results, and endorsed an action plan which included increased efforts to keep the membership informed.

### **LGA Forward Plan**

31. The Leadership Board continued to review the Forward Plan of the LGA Executive, Leadership Board and Councillor's Forum on a regular basis to ensure that their respective programmes continued to reflect the main priorities for the LGA and address the biggest issues for the sector.

### **Partnerships: Local Partnerships and Centre for Public Scrutiny**

32. The Leadership Board continued to receive the Local Partnerships' Annual Report which gave an overview into the benefits the organisation has towards local government. Members continued to think about and discuss the ways in which the LGA could continue working with Local Partnerships to mutual benefit.
33. The Leadership Board continued to receive the Centre for Public Scrutiny's Annual Report which gave an overview of the charity's key areas of focus, the work delivered and outcomes achieved. Particular attention was paid to their activity around scrutiny of Sustainability and Transformation Partnerships (STPs) and their implications for local authorities, as well as work generally on health scrutiny, housing, and the role of local government in Brexit.

### **Other activity**

34. The Leadership Board heard updates about the performance and support received by certain councils following financial difficulties, and post the failure of Carillion.
35. The Leadership Board also heard and approved changes to the LGA's Pay Policy Statement. Amendments for 2018 included updates to the pension contribution rates; clarification of policy on non-standard grades and spot salaries; amendment to how senior salaries were published; and clarification of the process for temporary appointments.
36. The Leadership Board steered the LGA's response to the Committee on Standards in Public Life's review of local government ethical standards.
37. The Leadership Board steered the high level messaging the LGA is adopting for its 2019 Spending Review work.

### **Conclusion**

38. The LGA Leadership Board has worked on a wide range of issues over the past 12 months. Members are invited to consider any lessons to build into the forward planning and any new ways of working for the Board from 1 September 2018.