

Transition and Closure of the Unincorporated LGA - Update

Purpose

For information

Summary

- 1 Under the Constitution of the unincorporated LGA, dissolution of the Association requires the written consent of at least two-thirds of members from full member councils.
- 2 On 3 July 2018, the General Assembly resolved to initiate the transfer of the staff and business of the unincorporated LGA to the new company and to “put to all members for decision via an electronic or postal vote ... to delegate to the LGA Leadership Board the authority to determine the date upon which the current unincorporated Association is formally closed down, once they are satisfied that the transition is complete”.
- 3 A letter was sent to all member authorities in September 2018, seeking their agreement to the delegation. Approval has now been received from the required minimum two-thirds of councils in full LGA membership.
- 4 A Transition Team led by the Head of Corporate Services is overseeing the transfer of staff, contracts, assets and liabilities to the new LGA. This includes revising legal agreements, amending finance and HR systems, updating bank accounts, transferring pensions and TUPEing staff. A formal consultation is currently underway with affected staff and all changes are on track for completion by 1 April 2019, when the new company will become the membership body.
- 5 A further update will be brought to the Board in March, along with recommendations for the final stage of the changes – namely the conversion of the property companies to unlimited companies with share capital, the issue of shares to the new LGA, the creation of a tax group with the property companies and the creation of a tax group with the property companies and the IDeA.

Recommendations

That the Leadership Board **note**:

1. The current position in relation to the transition to the new LGA
2. That delegated authority is now in place to allow Leadership Board to determine the date upon which the current unincorporated LGA is closed down.

Actions

Officers to continue to progress arrangements for the transition and to bring a further update to the Board in March 2019.

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