

Minutes of the previous LGA Leadership Board meeting

Title: LGA Leadership Board
Date: Thursday 6 December 2018
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
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1 Apologies and Declarations of Interest

Apologies for absence were received from Cllr Ruth Dombey (Lib Dem).

No declarations of interest were made.

2 Brexit Update

Cllr Kevin Bentley, Chairman of the LGA's Brexit Task Force, introduced the report and highlighted that the Government had now confirmed that non-UK EU nationals would be able to vote and stand for election in the local elections in May 2019.

The LGA had suggested that MHCLG publish all Brexit related papers and information in a centralised hub for councils to access.

In response to a question on the cumulative impact of Brexit on councils and the NHS, Cllr Bentley highlighted that the Task Force was considering how councils could continue to provide social work and care work effectively in all Brexit scenarios.

Decision

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

3 LGA Adult Social Care Green Paper

Sally Burlington (Head of Policy, introduced the report and highlighted that there had been an excellent response to the publication of the LGA's adult social care green paper consultation response at the National Children and Adult Services Conference in November. This included 14 recommendations to the Government which it was hoped would be addressed as part of the Government's own adult social care green paper, although it was not currently clear when this would be published.

In the discussion which followed the following points were raised:

- It was confirmed that the LGA's green paper would form the programme of work and campaigning on adult social care for 2018-19.
- In response to a question on publicity, it was confirmed that the consultation response had been widely publicised online and through LGA bulletins.
- The Leadership Board thanked all staff involved for their hard work on the green paper and welcomed the response which had so far been received.

Decision

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

4 The Chancellor's 2018 Autumn Budget

Sarah Pickup, Deputy Chief Executive, introduced the report and highlighted that the Local Government Finance Settlement, which had been expected to be announced today, would now be delayed.

Members noted the key announcements from the Chancellor's Autumn Budget with implications for local government, which included one-off investments in adult and children's social care, local road maintenance, and high street improvement. The LGA's publicity work had received a good amount of media coverage and the Communications team had worked hard to get the various messages across on behalf of councils.

The Leadership Board thanked officers for their work on the Budget, and continued work to highlight the spending gaps in advance of the publication of the Local Government Finance Settlement.

Decision

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

5 Fair Funding Review and Business Rates Retention Update

Sarah Pickup, Deputy Chief Executive, introduced the report which updated the Leadership Board on progress on the Fair Funding Review (FFR) and Business Rates Retention (BRR) reform since the previous meeting, and also invited Members to consider a number of FFR policy positions developed by the Task and Finish Group which could form part of the consultation response.

Members noted the policy positions which had received cross-party agreement by the Task and Finish Group. These mainly focussed on how local government should take council tax into account when calculating the baseline, how mandatory reliefs should be taken into account, and the treatment of factors such as precepts, sales, fees and charges.

The LGA was expecting publication of FFR and BRR consultations at the same time as the Local Government Finance Settlement, which had now been delayed. Response to both consultations would be drafted in due course. The LGA would also arrange a number of regional consultation events with MHCLG.

23 January 2019

In the discussion which followed the following points were raised by Members:

- Regarding whether notional or actual council tax levels should be used in calculations, historically notional council tax had been used, and it was recommended that this continue as actuals could be open to manipulation.
- The LGA's work to simplify the Business rates system had received positive feedback from the Government. It was hoped that through the BRR consultation the LGA would continue to work towards a system which was adjustable and incentivised the sector to support and grow the economy.

Decisions

The LGA Leadership Board:

1. **Noted** the updates provided in the report; and
2. **Approved** the policy positions set out in Table 1 and Appendix A of the report.

Actions

Officers will use Members' comments to draft a response to the upcoming Government consultation on the FFR and proceed with delivery of the LGA work programme on BRR and FFR (**Sarah Pickup / Nicola Morton**).

6 Internal Lending and Borrowing - Funding LGA Group Property Developments and Investments

Jonathan Gratte, Strategic Finance Manager, introduced the report and highlighted that the Leadership Board had previously approved a plan in principle to fund the development of the 18 Smith Square and Layden House properties through a combination of internal loans, supplemented by an external loan.

Due to changes in the timing and phasing of the development projects only the first tranche of internal loans were executed, and therefore the report sought approval for a new suite of internal loans to come into force from 1 January 2019. It was confirmed that the various LGA companies had already agreed to their various parts of the arrangement.

Decision

The LGA Leadership Board:

1. **Agreed** that £2 million should be loaned to the internal borrowing pool, at the prevailing pool interest rate, on or around 1 January 2019; and
2. **Authorised** the Deputy Chief Executive to sign the loan documentation to reflect the transaction when this had been prepared.

7 Performance Reporting - 2018/19 Six Month Monitoring Report

Sarah Pickup, Deputy Chief Executive, introduced the report which presented a summary of the LGA's performance against the Business Plan and internal priorities over the period 1 April to 30 September 2018. Members noted that risks around the Local Government Mutual had been incorporated into the overall risk register for the first time.

In the discussion which followed the following points were raised:

- It was highlighted that performance indicators around adequate funding of councils, and councils having control over council tax would never be green unless a perfect financial position was achieved for councils. The LGA had everything in place to work effectively on these issues, but officers would discuss how best to monitor performance of these indicators in future.
- Regarding risks around the Insurance Mutual and mitigation which had taken place, it was confirmed that the risk was still red / amber due to the nature of the enterprise. Until the Mutual was up and running and there was more data the risk would remain red / amber. There was also a separate risk register for the Mutual.

Decision

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

8 Transition and Closure of the Unincorporated LGA - Update

Sarah Pickup, Deputy Chief Executive, introduced the report which provided an update on the transition from the current unincorporated LGA to the new LGA. In July 2018 the General Assembly had agreed to initiate the transfer of staff and business of the unincorporated LGA to the new company and to ask all members for to approve the decision that the Leadership Board would determine the date upon which the current Association would be formally closed down, once they are satisfied that the transition is complete. Approval had now been received from more than the required minimum two-thirds of councils in full LGA membership.

Members noted that a further report asking Leadership Board to determine the exact date for closing down the unincorporated Association would be considered in due course, but it was currently anticipated that the new company would be ready to operate from April 2019.

Decision

The LGA Leadership Board **noted**:

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

Action

Officers to continue to progress arrangements for the transition and to bring a further update to the Leadership Board in March 2019 (**Claire Holloway**).

9 Appointments to Outside Bodies for 2018-19

Paul Goodchild, Member Services Manager, introduced the report which set out the outside bodies to which the LGA had appointed Members for the 2018/19 meeting cycle. This included the appointments by LGA Boards, as well as appointments to workforce and employer bodies, and European and international bodies.

Decision

The LGA Leadership Board **noted** the list of outside bodies and representatives which the LGA had appointed to for the 2018/19 meeting year.

10 Chief Executive's Report - December 2018

Mark Lloyd, Chief Executive, introduced the report which set out the LGA's main achievements against the Business Plan since the previous meeting in October 2018.

In particular he highlighted that Allied Healthcare had sold their business and were working with councils to novate contracts. The LGA was working with ADASS and the Department of Health and Social Care to support councils who were impacted by this, as well as the ongoing discussions with Four Seasons on their financial restructure and provision of care.

Members also noted recent achievements and work by the LGA in relation to SEND funding, the scrapping of the housing borrowing cap, fixed odds betting machines, and Brexit.

Decision

The LGA Leadership Board **noted** the Chief Executive's report for December 2018.

11 LGA Forward Plan

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

Decision

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

12 Minutes of the last meeting

Decision

The LGA Leadership Board **agreed** the minutes of the previous meeting held on 17 October 2018.

13 Note of the last Commercial Advisory Board

Decision

The LGA Leadership Board **noted** the minutes of the previous meeting of the Commercial Advisory Board held on 25 October 2018.

14 Options for LGA Risk Cover through the Local Government Mutual

Sarah Pickup (Deputy Chief Executive) introduced the report which set out proposed

arrangements for the LGA to consider in terms of cover by the Local Government Mutual.

Members noted that the Mutual was not co-owned by the LGA and founding member local authorities. Risks were being monitored through the Mutual's own risk register. The report included an estimate of costs, but asked for delegation to the Chairman and Group Leaders to make a final decision subject to the assessment process.

Decisions

The LGA Leadership Board:

1. **Noted** the progress of the work to develop the Local Government Mutual; and
2. **Agreed** in principle the proposed arrangements for the LGA to consider an offer from the Local Government Mutual and delegate to the Chairman and Group Leaders to make a decision subject to the assessment process.

15 Layden House Update

Sarah Pickup (Deputy Chief Executive) provided an oral update on progress with the Layden House redevelopment project. Members noted that building work was progressing well, the project was within budget, and there were no major issues of concern. The building would be marketed in the new year.

Decision

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

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Lord Porter of Spalding CBE	South Holland District Council
Vice-Chairmen	Cllr James Jamieson	Central Bedfordshire Council
	Cllr Howard Sykes MBE	Oldham Metropolitan Borough Council
	Cllr Marianne Overton MBE	Lincolnshire County Council
Deputy-Chairmen	Cllr Izzi Seccombe OBE	Warwickshire County Council
	Cllr Paul Carter CBE	Kent County Council
	Cllr Robert Alden	Birmingham City Council
	Cllr Lib Peck	Lambeth London Borough Council
	Cllr Michael Payne	Gedling Borough Council
	Cllr Anne Western CBE	Derbyshire County Council
	Cllr Peter Box CBE	Wakefield Metropolitan District Council
	Cllr Clive Woodbridge	Epsom and Ewell Borough Council
Apologies	Cllr David Simmonds CBE	Hillingdon London Borough Council
	Cllr Ruth Dombey OBE	Sutton London Borough Council