

Amendments to LGA Constitution and Political Conventions

Decisions

1. That the General Assembly:
 - a. approves amendments to the LGA's Constitution and political Conventions:
 - (i) under Article 4.4 of the Constitution (power to make political Conventions), adding a new section 2(iv) to the political Conventions (emergency situations); and amending section 5(ii) of the political Conventions (delegations); and
 - (ii) to Articles 23 and 24 of the Constitution (apportionment of assets and liabilities)
 - b. resolves to delegate to the LGA Executive the power to amend the LGA's political Conventions.

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Amendments to LGA Constitution and Political Conventions

Summary

1. This report recommends changes to the LGA's Constitution and political Conventions. Changes to political Conventions, made under Article 4.4 of the Constitution, will clarify the mechanism for leading the Association's response in emergency situations, and amend provision relating to the composition of delegations so as to reflect steps taken to boost the Association's lobbying impact. Changes are proposed to Articles 23 and 24 of the Constitution relating to apportionment of the Association's assets and liabilities between member authorities, reflecting the LGA's strengthening financial position and giving a clear method of calculation.

Political Conventions (made under Article 4.4 of the Constitution)

2. The Constitution includes provision for the General Assembly to approve Conventions governing relationships between the political parties in the conduct of the LGA's business (the political Conventions). The political Conventions approved by the Assembly have been reviewed, and amendments are recommended by the LGA Executive, so as to give clear political leadership mechanism in an emergency situation, and also to support the Association's lobbying performance.

(a) Emergency situations

3. The General Assembly is asked to approve the addition of a new Political Convention, to make clear that the LGA Chairman and Group Leaders will lead the LGA's response in an emergency situation, bringing in other members as appropriate to the circumstances. This formalises an earlier recommendation of the Scrutiny Panel. The proposed new provision is set out at Annex A.

(b) Representation on delegations

4. To support the Association's aim to increase the impact of its lobbying and policy presentation, the LGA Executive and leading members have endorsed steps aimed at sharpening the LGA's effectiveness at meetings, and to ensure that the size of a delegation and mix of members attending are tailored to the particular meeting. These principles have already been implemented in practice, and the General Assembly is asked to amend Political Convention 5(ii) to reflect this move. The proposed new provision is set out at Annex A, with the existing provision and marking propose changes, at Annex C.

Delegation of decisions to amend political Conventions (Article 9 of the Constitution)

- 5. The General Assembly may delegate its functions to the LGA Executive (Article 9.0 of the Constitution). For the future, the Assembly is asked to delegate to the LGA Executive the power to amend the political Conventions. This will enable the Conventions to reflect changes in the political management of the Association's business without delaying until a General Assembly meeting. Any amendments agreed under this delegated power would be reported to the next General Assembly meeting.**

Liability on resignation or dissolution (Articles 23 and 24)

- 6. Provisions of the Constitution concerning financial matters have been reviewed with legal and financial advisers, and amendments are recommended to those dealing with liability of councils leaving the LGA, and distribution of assets or liabilities were the LGA to be wound up (Articles 23 and 24). The LGA's underlying financial position has strengthened since the Constitution was adopted when the Association was set up. Also, the current provision for liability of a member council leaving the LGA is open to some uncertainty. The LGA Executive recommends amendments that will ensure provisions that are fair, workable and clear. The proposed new Articles 23 and 24 are set out in Annex B, and the current provisions are at Annex C.**
- 7. The Constitution currently provides for any council leaving the Association to pay a share of its liabilities, assessed at the date of its leaving. The General Assembly is invited to agree to replace this provision with one whereby there is no immediate assessment of liability, but a past member authority remains potentially liable to contribute a share of the LGA's liabilities if the Association were to be wound up within the next five years. (Proposed Article 23.3 refers)**
- 8. No change is proposed to the current principle whereby a council forfeits its right to a share of the LGA's assets if it leaves membership. The proposed new clause 24 deals with how the net assets or liabilities would be apportioned if the LGA were to be dissolved, other than for the purpose of reconstitution or merger.**
- 9. It is proposed that the net assets (as defined) shall be distributed between existing members only, apportioned on the basis of the total subscription paid by the council in the previous ten years. (Article 24.2 refers). Net liabilities (as defined) would be apportioned between the existing members and any council that had left membership in the previous five years, with a former member's liability based on its final year's subscription. (proposed Article 24.3 refers).**
- 10. Amendment to the arbitration provisions, in case any dispute arises, is recommended. Resolution of a dispute arising under these provisions is likely to require accountancy expertise, so it is recommended that the arbitrator has accountancy expertise. (Articles 24.6 and 24.7 refer).**

11. The revised provisions will apply to all councils in membership at the date the Constitution is amended (i.e. the date of the General Assembly), and any council joining (or re-joining) the LGA after that date.

Implications for Wales

12. The proposals apply equally to member authorities in Wales and England.

Financial Implications

13. None anticipated for the LGA. The Constitutional changes make provision for apportionment of LGA assets and liabilities between member authorities.

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