

## **LGA Governance Arrangements**

### **Purpose of report**

For decision.

### **Summary**

Under clause 3.2 of the LGA's Constitution, the General Assembly "shall determine the terms of reference, delegated powers, size and political composition of the Association's governance structures".

The LGA Executive is proposing a series of revisions to the LGA's governance arrangements to reflect the changing needs of our emerging city regions and our non-city areas, and as part of a wider package of activities to secure the long term sustainability of the LGA.

### **Recommendation**

The LGA Executive commends the proposed changes to LGA governance arrangements and recommends that the General Assembly approves the revised Constitution (**Appendix A**).

### **Actions**

Subject to the approval of the General Assembly

- The City Regions and People & Places Boards will be established from February 2014
- The remaining changes will come into effect from September 2014
- A full review of the new arrangements will be carried out after 12 months

**Contact officer:**

Claire Holloway

**Position:**

Head of Corporate Governance

**Phone no:**

020 7664 3156

**E-mail:**

[claire.holloway@local.gov.uk](mailto:claire.holloway@local.gov.uk)

## **LGA Governance Arrangements**

### **Background**

1. The LGA's governance arrangements lead and shape the work of the Association. As local authorities prepare to make further tough decisions about vital public services, we must ensure that those governance arrangements equip us to represent our membership effectively and to work with councils to support, promote and improve local government.
2. The changes proposed by the LGA Executive are based on five key principles:

#### **Representing our membership**

- Councillors across the country are engaged in the work of the LGA.
- The needs of individual councils are balanced with the needs of groupings of councils.

#### **Structures**

- City regions and counties have a central role in the LGA's decision-making.
- Current governance arrangements are streamlined to focus on LGA priorities.

#### **Ways of working**

- Less reliance on formal "committee" meetings based around officer-written papers.
- Greater emphasis on engagement with the wider sector.

#### **The role of members**

- Increased emphasis on the role of members as decision-makers, as representatives of local government and as advocates of the LGA.

#### **Cost of governance**

- Overall reduction in direct, support and managerial costs.

### **Changes to the current arrangements**

3. The revised Constitution incorporating the governance changes is attached at **Appendix A**.

#### **Leadership Board**

4. The Leadership Board will continue in its current form. It will be politically proportionate and its membership will comprise the chairman, vice and deputy chairs of the LGA. It will lead and direct the business of the LGA. However under these proposals it will meet every 6 weeks instead of monthly.

#### **LGA Executive**

5. The Executive will continue in its current form. It will be politically proportionate and its core membership will comprise the chairman, vice and deputy chairs of the LGA, the chairs of the 9 boards and representatives of Wales and the English regions. The County Councils' Network (CCN), District Councils' Network (DCN) and the Special Interest Group of Municipal Authorities (SIGOMA) will each retain a non-voting place along with the chairs of Local Partnerships and the Leadership Centre for Local Government. Like the Leadership Board it will meet 6-weekly instead of the current monthly.

6. The Executive will be responsible for determining the LGA's strategic priorities and policy framework and for holding the Boards to account. In particular it will coordinate growth and transport policy on the advice of the City Regions, People & Places and Environment, Economy, Housing & Transport Boards and determine finance and workforce policy on the advice of the Resources Board.

### **Boards**

7. There will be 9 boards in place of the current 10 – 7 policy boards along with two new boards – City Regions and People and Places.

### **City Regions and People and Places Boards**

8. These two boards will represent the interests of city and non-city areas respectively. They will meet four times a year and their remit will include growth, transport infrastructure, skills and wider public service reform.
9. Membership of the City Regions Board will be drawn from the Core and Key cities, SIGOMA and London Boroughs. Membership of the People & Places Board will be drawn from the County Councils Network, District Councils Network and any non-county unitaries not represented by those two bodies.
10. The two Boards will each have 22 members and their make-up will reflect the political proportionality of the wider group of councils from which their membership is drawn. This differs from the seven policy boards, whose make-up reflects the political proportionality of the Association as a whole. LGA Group Leaders are recommending that membership of these two Boards is increased to 22.
11. The chair will be appointed from the largest group on the Board but will fall within the LGA's own proportionate allocations. In line with the LGA's political conventions, the remaining groups will each have a vice or deputy chair.

### **Policy Boards**

12. The seven policy Boards will each have a proportionate membership of 18 members. They will meet four times a year rather than the current six. Each Board will continue to have four lead members - a chair, vice chair and two deputy chairs, allocated between the Groups.
13. The remits of the City Regions and People & Places Boards will include growth and transport. General economic policy, highway maintenance and environment, planning and housing will be dealt with through a merger of two Boards (Economy & Transport and Environment & Housing) which will be called the Environment, Economy, Housing and Transport Board. The Executive will retain an overarching role in these areas.
14. The Children & Young People, Community Wellbeing, Culture, Tourism & Sport, and Improvement and Innovation Boards will continue in their current forms. However, the Improvement and Innovation Board will take over responsibility for all improvement activity, including specific areas such as children's improvement.

15. The Community Safety Board will take on overall responsibility for fire, with the Fire Services Management Committee reporting to the Board. This will bring together all blue light services under one board.
16. A new **Resources Board** will be created, combining the remits of the Workforce Board, Finance Panel and the finance elements of the European & International Board. European & International policy will be passed to the appropriate policy board. Responsibility for the LGA's own internal resources, will remain with the Leadership Board.

#### **Other structures**

17. The Rural and Urban Commissions and their respective steering groups will be disbanded with the creation of the City Regions and People & Places Boards. However, the two Boards may continue to hold an annual Conference to bring together the wider interest group.
18. Councillors' Forum will continue in its current form but will move to a 6-weekly cycle in line with the Executive and Leadership Board. It will continue to offer a programme of topical external/internal speakers and discussions. It has a proportionate core membership but will continue to be open to all LGA councillors to attend.
19. Audit Committee will continue to monitor the integrity of the financial statements of the LGA and its associated companies and oversee their internal control and risk management. It is made up of one member from each group and is not proportionate.

#### **Other governance issues**

##### **Roles of Lead Members**

20. Integral to the proposed reduction in the number of meetings is the move to a more flexible model of operation, placing a greater emphasis on the role of the lead members between Board meetings and the importance of regular reports to the Executive by the Board chairs. Revised job descriptions for lead members will reflect the changing role.

##### **Regional appointments to the Executive**

21. In response to concerns from some regions regional appointments to the Executive should reflect the LGA's weighted proportionality for the region, unless there is local consensus for an alternative.

#### **Timetable**

22. The proposed Cities and People & Places Boards will come into effect from February 2014 and the Urban and Rural Commissions will be disbanded at that point.
23. The Economy & Transport, Workforce and European & International Boards and Finance Panel will be disbanded from July 2014 and the new arrangements will come into effect from 1 September 2014.
24. A full review of the new arrangements, including membership of the new boards will be undertaken after 12 months.

### **Summary of changes**

1. That a new City Regions Board and a new People & Places Board are established from February 2014.
2. That the Urban and Rural Commissions cease to exist from February 2014.
3. That from 1 September 2014, a new Resources Board is established combining the current remits of the Finance Panel, Workforce Board and financial elements of the European & International Board.
4. That from 1 September 2014, the remits of the Environment & Housing and Economy & Transport Boards (not covered by People & Places and City Regions Boards) are merged and the Board is renamed Environment, Economy, Housing & Transport.
5. That the current Finance Panel, Workforce Board, European & International Board, and Economy and Transport Boards cease to exist from 31 July 2014.
6. That the Executive takes overarching responsibility for coordinating growth and transport policy on the advice of the City Regions, People & Places and Environment, Economy, Housing & Transport Boards, and for determining finance and workforce policy on the advice of the Resources Board.
7. That the Improvement and Innovation Board takes over responsibility for all improvement activity, including specific areas such as children's improvement.
8. That the Boards meet four times a year in place of the current six, with a stronger role for designated lead members to work flexibly between formal meetings.
9. That the Executive, Leadership Board and Councillors' Forum move to a 6-weekly from the current monthly cycle.