

Note of decisions taken and actions required

Title:	LG Group Executive
Date and time:	Thursday 17 March 2011, 10am
Venue:	The Westminster Suite, Local Government House

Attendance

An attendance list is attached as an Appendix A to this note.

Item	Decisions and actions	Action by
1	<p>Community Budgets – Progress</p> <p>The Executive received a presentation on progress in the first 16 areas due to receive community budgets for supporting families with complex needs on 1 April 2011, and on the LG Group's continued lobbying for this approach to be extended to all authorities and other policy agendas.</p> <p>Members made a number of comments which were noted by officers:</p> <ul style="list-style-type: none">• Although there is a clear political appetite for pooling budgets, progress has been limited so far, with many local authorities unclear about whether Whitehall will deliver on this.• The Group should continue to lobby government on place-based budgets as there are several other policy agendas where this approach would be extremely effective.• Members were pleased that a cross party steering group has been formed to oversee progress. <p>Action</p> <ul style="list-style-type: none">• Officers to take forward this work as directed by the Executive.	Rob Whiteman
2	<p>LG Group Business Plan and Budget 2011/12</p> <p>Cllrs Gerald Vernon-Jackson, Edward Lord JP, Peter Box CBE, Stephen Houghton CBE, Sharon Taylor, David Wilcox OBE, Roger Stone OBE, Paul Bettison, Gary Porter, Robert Light, David Parsons CBE, Mehboob Khan and Mayor Sir Steve Bullock expressed a personal but non-prejudicial interest in this item.</p>	

Cllr Keith Mitchell CBE introduced the report and preliminary LG Group budget for 2011/12, alongside the annual LG Group business plan agreed by the Executive in January. The budget will be finalised once the impact of the current work to reduce employee costs across the LG Group has been assessed. The budget will be presented for final approval to the next meeting of the Executive in May.

The Chairman thanked Cllr Mitchell and the Members of the Resources Panel and the Audit & Scrutiny Panel for their hard work and involvement in the progression of both the Budget and the Business Plan over the last few months.

Members made a number of detailed comments, particularly on wording in the business plan, which were noted by officers and will be amended accordingly.

- Members raised concerns about member involvement in the delivery of the business plan and argued for greater member engagement, particularly through the transition to the new Group.
- Members requested that a letter should be sent from the LG Group to Paul Burstow, the Minister of State for Care Services, on several issues concerning the implementation of the new Health and Wellbeing Boards in local areas. A copy of the letter should be circulated to council Leaders.
- Members suggested that the LG Group should do more work to ensure that their successes and achievements for the sector are more clearly communicated to their member councils, something which is particularly necessary in the tough financial climate.
- Members were assured by the Chairman that productive dialogue with the WLGA would continue, despite further devolution to the Welsh Assembly.

Decision

*Members **agreed** the provisional budget for the LG Group for 2011/12.*

Action

- A final budget, along with programme plans to supplement the 2011/12 business plan, to be presented to the next meeting of LG Group Executive in May for approval.
- Officers to draft letter from the LGA to the Minister for Care Services to set out issues identified by the Executive.

3 Getting Closer

Cllrs Gerald Vernon-Jackson, Edward Lord JP, Peter Box CBE,

Stephen Houghton CBE, Sharon Taylor, David Wilcox OBE, Roger Stone OBE, Paul Bettison, Gary Porter, Robert Light, David Parsons CBE, Mehboob Khan and Mayor Sir Steve Bullock expressed a personal but non-prejudicial interest in this item.

John Ransford introduced this report which follows a statutory staff consultation on a new structure to deliver the Group's priorities and outcomes within the resources available to it over the next five years. The implementation phase will take place over the next two months so that the new organisation is operative from 1 June 2011.

Members made a number of detailed comments which were noted by officers, including:

- Members expressed concern about staff morale at this difficult time but agreed that the final stage of implementation should not be delayed.
- Some members felt that they had been given insufficient opportunity to contribute to the vision and final design of the new integrated LG Group.
- The importance of the Executives of each of the political groups in ensuring continuing Member engagement in the implementation of Getting Closer was emphasised.

Cllr David Shakespeare OBE **proposed** that the Executive should establish a politically proportional task group to discuss in detail the future operation of the integrated LG Group, and its interface with the Group's governance arrangements, and report back to the Executive. Cllr David Parsons CBE seconded this proposal.

Cllr Gerald Vernon-Jackson **proposed an amendment** to the proposal - that as a politically proportional body, the LGA Leadership Board should take on the role and report back to the Executive in May. Cllr David Sparks OBE seconded the amendment.

Decision

*Members **agreed** the amendment by a majority vote that the LGA Leadership Board should discuss in detail the future operation of the integrated LG Group, and its interface with the Group's governance arrangements, and report back to the Executive in May.*

4 Local Authority Bonds

Mark Luntley introduced this report updating the Executive on the Government's announcement in the Spending Review that, with

immediate effect, the Public Works' Loans Board interest rates would be increased to 1% above corresponding gilts market rates for the government's own borrowing.

In the 2008-9 financial year English and Welsh councils borrowed £7.5bn. An extra 1% interest is about £70m a year. Therefore, as most borrowing is for very long periods, the cost of the extra interest over the lifecycle of authorities' borrowing is potentially substantial.

Members agreed that it may now be cheaper for councils to borrow by issuing their own bonds in the market, but only the largest councils are big enough to be likely to do this on their own. Smaller councils risk being disadvantaged, but might be able to issue bonds if they act together. However, Members stressed the importance of setting up any local arrangements in good time, given the major changes in housing finance being proposed.

Decision

*Members **agreed** to establish a Member task group to oversee officers' further work to explore this issue in more detail.*

Action

- Each political group to nominate one member to the task group.

Political
Groups

5 Review of LG Group Members' Remuneration

John Ransford introduced this item responding to the Resources Panel's recommendation that an independent review of members' remuneration is carried out. Lord Best, President of the LGA, had indicated that he would be willing to reconvene the Independent Remuneration Panel that carried out the last review in 2009.

Cllr Peter Box CBE **proposed** that the LG Group should freeze members' allowances for 2 years and not conduct an independent review. Cllr Mehboob Khan **seconded** this proposal.

Decisions

- Members **rejected** the proposal by majority vote.*
- Members **agreed** to invite Lord Best to reconvene the Independent Remuneration Panel to review the LG Group Scheme of Members' Allowances and report back to the Group Executive in July 2011.*

Action

- Group leaders to be invited to give evidence to the new panel

6 Pensions (verbal update)

A summary note on the final review of the Independent Public Service Pensions Commission (IPSPC), chaired by Lord Hutton, was tabled.

John Ransford updated members on the report, published on 10 March. The report had taken account of the evidence provided by the LG Group and its findings and recommendations were in line with what had been expected. However, the announcement in the CSR that employee pension contributions should be increased by an average of 3% remains a key issue for the LG Group, particularly given Lord Hutton's recommendation that this should be a decision for Government and therefore not specifically addressed in the review.

Members discussed whether there would be flexibility to merge the main pension schemes in local government. However, for legal reasons, this would not be possible. Members also expressed concern that in future private sector employees would not be able to use the public sector scheme, which could greatly affect its viability, particularly as many authorities look to outsource services in the current fiscal context.

7 Note of LGA Leadership Board

Decision

Members noted the minutes.

8 Note of the last LG Group Executive meeting

Decision

Members agreed the note of the last meeting.

Date of next meeting:

Thursday 19 May at 10.00am in Local Government House.