

LG Group governance arrangements

Purpose of report

For discussion.

Summary

New LG Group member governance arrangements came into effect on 1 September 2010, as part of the Getting Closer programme. The new arrangements:

1. established an LG Group Executive with a broader membership and a remit that covered the whole Group.
2. brought together all policy, improvement, workforce and regulatory work within the role of the newly constituted programme boards.

This paper sets out the current governance arrangements, along with any feedback received over the past 12 months, as the context for LG Group Executive's planned Autumn review.

Recommendation

Members to consider the current governance arrangements and make recommendations for change.

Action

Officers to put together a further report to the LG Group Executive in October, setting out proposed revisions to LG Group governance structures that reflect the views of the LG Group Executive.

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LG Group governance arrangements

Background

1. New LG Group member governance arrangements came into effect on 1 September 2010, as part of the Getting Closer programme. The new arrangements:
 - 1.1. established an LG Group Executive with a broader membership and a remit that covered the whole Group.
 - 1.2. brought together all policy, improvement, workforce and regulatory work within the role of the newly constituted Programme Boards.
2. The Executive agreed to carry out a review of the new arrangements once they had been in operation for 12 months. A summary of the current governance arrangements is attached at **Appendix A**.

Feedback and comments received

3. In July 2011 the LG Group Executive committed to further discussions to strengthen partnerships between the LG Group and the sub-national partnerships. In addition the following comments have been received in relation to the existing arrangements:

3.1. LG Group Executive/LGA Leadership Board

There is currently confusion between the respective roles of the LGA Leadership Board and the LG Group Executive, particularly since the integration of the wider Group. The role and remit of the two bodies needs to be sharpened.

3.2. Role of the Programme Boards

There needs to be greater clarity about the respective roles of the Programme Boards and the LG Group Executive - in particular about the roles of the Workforce Programme Board, the LG Group Executive and the national negotiating bodies.

3.3. Councillors' Forum

There is no clear rationale for restricting attendance at meetings of the Councillors' Forum to a designated number of members. Meetings, which regularly attract senior Government representatives and other high profile speakers, could be opened up to any interested member to attend.

3.4. Resources Panel/wider finance policy

The Resources Panel is responsible for LG Group resources, with responsibility for finance policy resting with the Group Executive. We need to ensure that a Group of members have specific responsibility for finance policy. This could be done for example by expanding the brief of the Resources Panel, or by creating a finance sub-group of the LG Group Executive.

3.5. Fire Services Management Committee

We have received a proposal from the Combined Fire Authorities that the chair of the Fire Services Management Committee should in future be elected by the Fire Forum, which comprises all fire and rescue authorities, rather than be appointed through the usual political process.

3.6. LACORS/LGR company board

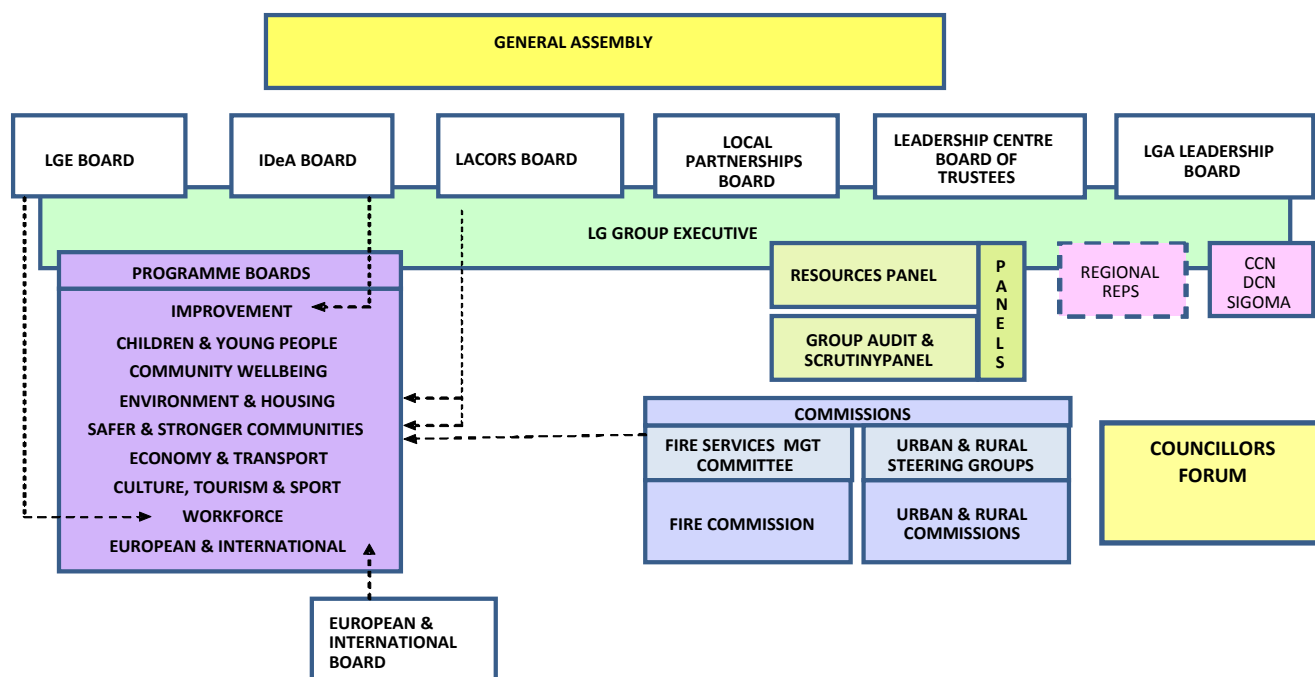
Much of the policy and improvement work of the company boards has now passed to the relevant Programme Board. In recognition of this, the chairman of the Improvement Programme Board also chairs the LGID company board, the chair of the Workforce Programme Board chairs the LGE company board and the chair of the European & International Programme Board chairs the LGIB company board.

In future the chairman of the Safer and Stronger Communities Programme Board could also chair the LACORS board.

Next steps

4. Members are invited to consider each of the existing Governance Structures set out in **Appendix A** and to make recommendations for change where appropriate.

Appendix A - Current governance arrangements



LG Group Executive (meets monthly on a Thursday)

Provides strategic direction to the work of the LG Group, taking advice from the LGA Leadership Board and company boards, and representing the views of local government. It is responsible for:

1. Ensuring that the LG Group is focused on councils and councillors.
2. Setting the strategic direction and priorities through the LG Group Business Plan, and ensuring overall delivery.
3. Ensuring activity across the LG Group is coordinated and integrated.
4. Determining LG Group policy for cross-cutting policy issues such as finance and efficiency and local democracy, after consultation with member authorities.
5. Holding the Programme Boards to account.
6. Maintaining strong links with the wider membership to ensure priorities are based on the views of all member councils.

The Executive can allocate responsibility to one or more of its members for particular areas within its remit, and/or establish member task groups. It can invite the chairs of Special Interest Groups (SIGs) to attend to present their Annual Report.

The Executive is chaired by the chairman of the LGA. It is politically proportionate and has approximately 35 voting and non-voting members.

Voting

- Office Holders of the Association
- Chairs of the programme boards/company boards
- Representative of the Welsh LGA
- One representative of each of the sub-national groupings
- Additional members to balance political

Non-voting

- Chair of the Resources Panel
- Representatives of the County Council's Network (CCN), District Councils Network (DCN) and Special Interest Group of Municipal Authorities (SIGOMA)
- Chairs of LG Leadership and Local Partnerships

LGA Leadership Board (meets monthly on a Wednesday)

Directs the Association's activities and business, on behalf of its membership, in accordance with the strategic priorities and direction set by the LG Group Executive and reports and makes recommendations to the Group Executive on the LGA's activities. It is politically proportional and has 11 members. It is chaired by the chairman of the LGA and is made up of the vice and deputy chairs.

The LGA Leadership Board is responsible for:

1. Managing and maintaining relationships with member authorities.
2. Being the national voice of local government, by providing the principal spokespersons for the LGA.
3. Setting the Association's annual budget and subscriptions.
4. Monitoring the Association's Income and Expenditure against the budget.
5. Developing and delivering the LGA business plan.
6. Managing and maintaining external relationships, with other representative bodies in local government, with Whitehall, Government, the legislature and partners.
7. Representational activity on behalf of the LGA.
8. Agreeing the format of the LGA General Assembly Annual Meeting, in line with the Constitution.
9. Agreeing the programme and format of the LG Group Annual Conference on behalf of the LG Group.
10. Agreeing the LGA approach to the annual political balance.

The LGA Leadership Board may allocate responsibility to one or more of its members for particular areas within the remit of the LGA Leadership Board.

Councillors' Forum (meets monthly on a Thursday)

The Councillors' Forum receives internal and external briefings and presentations,

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and discusses key issues impacting on local government. It holds the LG Group to account by:

- Considering the monthly Chairman's and Chief Executive's reports
- Receiving reports from the LG Group Programme Boards, providing views and challenge

Programme Boards (meet 4-6 times a year)

Engage with and develop a thorough understanding of councils' priorities in relation to their particular programme area. They help shape the LG Group business plan and develop a programme of work to deliver the strategic priorities set by the LG Group Executive.

Each Programme Board has 14 members and its own terms of reference. Alongside formal meetings Boards may hold events around the country ranging from small discussions to major residential conferences. The Programme Boards are:-

- Children & Young People Programme Board
- Environment & Housing Programme Board
- Economy & Transport Programme Board
- Safer & Stronger Communities Programme Board
- Community Wellbeing Programme Board
- Culture, Tourism & Sport Programme Board
- Workforce Programme Board/Employers Organisation (LGE) Board
- European & International Programme Board/LGIB Board
- Improvement Programme Board/ IDeA Board

Panels (meet 4-6 times a year)

The two Panels, each made up of nine members, oversee and report to the LG Group Executive and the relevant company boards on the internal operation of the LG Group.

- Resources (responsible for the management of LG resources and for policies on resource management across the LG Group)
- Audit & Scrutiny (responsible for monitoring financial reporting, audit, risk, delivery of business plan and use of resources)

The chair of the Resources Panel is a non-voting member of the Executive

Commissions

Provide a forum for member authorities to discuss matters of common interest and concern, to exchange good practice and to influence the priorities and activities of the

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LG Group. Each Commission is led by a steering committee and reports annually to the LG Group Executive. The Commissions are

- Urban (Urban Commission Steering Group)
- Rural (Rural Policy Review Group)
- Fire (Fire Services Management Committee)

**Company Boards of the IDeA, LGE, LACORS & Local Partnerships;
Board of Trustees of Leadership Centre**

Direct the activities and business of the central bodies, and ensure their proper management in accordance with their Memoranda and Articles of Association and with the strategic priorities and direction set by the LG Group Executive.

- the board of the IDeA is chaired by the Chair of the Improvement Programme Board and councillors appointed to it sit on the Improvement Programme Board,
- the Board of LGE is chaired by the chair of the Workforce Programme Board and councillors appointed to it sit on the Workforce Programme Board
- the chair of the LACORS board is currently a separate appointment by the Groups, but members appointed to it sit on the Environment or Safer & Stronger Communities Programme Boards.
- The chairs of Local Partnerships and the Leadership Centre are not appointed by the LGA and sits outside our proportionality arrangements

Special Interest Groups

Special Interest Groups (SIGs) are not part of the formal governance arrangements of the Group but have an important role in setting priorities. Any **ten** or more councils in full membership of the LGA, with common features, interests or concerns can apply to become a SIG. There are currently 19 SIGs.

SIGs can make representations direct to Government and elsewhere on matters arising directly from their special interest, and may receive LG Group assistance in doing so. Representations should not conflict with or undermine LGA policy as a whole or damage the interests of other member authorities

SIGs are required to submit a full report at the end of April each year to the LGA Leadership Board and may be invited to report in person to the LG Group Executive, LGA Leadership Board or relevant Programme Board.