Local Government Group

LG Group Executive

Agenda

Thursday 13 October 2011
2.15pm

The Westminster Suite (8th floor)
Local Government House
Smith Square
London
SW1P 3HZ

To: **Members of the LG Group Executive**
cc: **Named officers for briefing purposes**

www.local.gov.uk

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Local Government Group

LG Group Executive
13 October 2011

There will be a meeting of the LG Group Executive at:

2.15pm on Thursday 13 October 2011 in the Westminster Suite, Local Government House, Smith Square, London, SW1P 3HZ

Attendance Sheet

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour:	Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative:	Angela Page:020 7664 3264 email: angela.page@local.gov.uk
Liberal Democrat:	Evelyn Mark: 020 7664 3235 email: libdem@local.gov.uk
Independent:	Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Location

A map showing the location of Local Government House is printed on the back cover.

LGA Contact:

Lucy Ellender Tel: 020 7664 3173; Fax: 020 7664 3232;
e-mail: lucy.ellender@local.gov.uk

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http://www.parkplaza.com/hotels/gbriver?s_cid=se.bmm2175

http://www.novotel.com/gb/hotel-1785-novotel-london-waterloo/index/shtml

LG Group Executive - Membership 2011/2012

Councillor	Authority	Position/ Role
Conservative		
Sir Merrick Cockell	RB Kensington & Chelsea	**Chairman**
Gary Porter	South Holland	**Vice-Chairman/ Group Leader**
Robert Light	Kirklees Council	Deputy-Chairman
Andrew Lewer	Derbyshire CC	Deputy-Chairman
Robert Gordon DL	Hertfordshire CC	Deputy-Chairman
David Simmonds	Hillingdon LB	Chairman, CYP PB
David Parsons CBE	Leicestershire CC	Chairman, Env & Housing PB
Paul Bettison	Bracknell Forest Council	Chairman, LGR
Peter Fleming	Sevenoaks DC	Chairman, Improvement PB
Labour		
David Sparks OBE	Dudley MBC	**Vice-Chairman/ Group Leader**
Sharon Taylor	Stevenage BC	Deputy-Chair
Steve Reed	Lambeth LB	Deputy-Chair
Mayor Sir Steve Bullock	Lewisham LB	Chair, Workforce PB
Peter Box CBE	Wakefield Council	Chair, E&T PB
Mehboob Khan	Kirklees Council	Chair, SSC PB
Dave Wilcox OBE	Derbyshire CC	Chair, E & I PB
Liberal Democrat		
Gerald Vernon-Jackson	Portsmouth City	**Vice-Chairman/Group Leader**
Mayor Dorothy Thornhill MBE	Watford BC	Deputy-Chair
David Rogers OBE	East Sussex CC	Chair, CWB PB
Chris White	Hertfordshire CC	Chair, CTS PB
Jill Shortland OBE	Somerset CC	Member
Independent		
Marianne Overton	Lincolnshire CC	Deputy-Chair
Regional Representatives (10)		
Peter Martin (Cons)	Essex CC	East of Eng. LGA
Paul Carter (Cons)	Kent CC	SE Eng Councils
Angus Campbell (Cons)	Dorset CC	SW Leaders
Philip Atkins (Cons)	Staffordshire CC	WM Councils
Martin Hill OBE (Cons)	Lincolnshire CC	EM Councils

Mayor Jules Pipe (Lab)	Hackney LB	London Councils
Paul Watson (Lab)	Sunderland City Council	NE Councils
Ian Greenwood (Lab)	Bradford MDC	LG Yorks & Humber
Sir Richard Leese CBE (Lab)	Manchester City	North West Regional Leaders' Board
Robert Dutton OBE **TBC** (Ind)	Wrexham County Borough	Welsh LGA
Named substitutes		
Simon Henig	Durham County Council	NE Councils
Gordon Keymer CBE	Tandridge DC	SE Eng Councils
Paul Watkins	Dover DC	SE Eng Councils

Non-voting Members of LG Group Executive

Cllr/Local Authority	**Political Group**	**Representing**
Lord Peter Smith	Labour	LG Leadership
Stephen Castle (Essex CC)	Cons	Resources Panel
Neil Clarke (Rushcliffe)	Cons	District Councils Network
Stephen Houghton	Labour	SIGOMA
Roger Phillips (Herefordshire CC)	Cons	County Councils Network
Edward Lord OBE JP	Liberal Democrat	Local Partnerships

LG Group Executive
Attendance 2011-2012

Councillors	15.09.11	13.10.11	10.11.11	8.12.11	12.01.12	9.02.12	15.03.12	17.05.12	14.06.12	12.07.12
Conservative Group										
Sir Merrick Cockell	Yes									
Gary Porter	Yes									
Robert Light	Yes									
Andrew Lewer	Yes									
Robert Gordon	Yes									
David Simmonds	Yes									
David Parsons	Yes									
Paul Bettison	Yes									
Peter Fleming	Yes									
Labour Group	No									
David Sparks OBE	Yes									
Sharon Taylor	Yes									
Steve Reed	Yes									
Mayor Sir Steve Bullock	Yes									
Peter Box CBE	Yes									
Mehboob Khan	Yes									
David Wilcox OBE	Yes									
Lib Dem Group										
Gerald Vernon-Jackson	Yes									
Mayor Dorothy Thormhill MBE	Yes									
David Rogers OBE	Yes									
Chris White	Yes									
Jill Shortland OBE	Yes									
Independent										
Marianne Overton	Yes									
Regional Representatives										
Peter Martin	No									
Paul Carter	Yes									
Angus Campbell	Yes									
Philip Atkins	Yes									

Martin Hill OBE	Yes									
Mayor Jules Pipe	Yes									
Paul Watson	No									
Ian Greenwood	Yes									
Sir Richard Leese CBE	Yes									
Robert Dutton OBE	No									
Non Voting Members										
Lord Peter Smith	No									
Stephen Castle	Yes									
Neil Clarke	Yes									
Stephen Houghton	Yes									
Roger Phillips	Yes									
Edward Lord OBE JP	No									
Substitutes										
Simon Henig	Yes									
Ruth Cadbury	Yes									

Agenda

LG Group Executive

Thursday 13 October 2011

2.15pm

The Westminster Suite, 8th Floor, Local Government House

	Item	Page	Time
1.	**Local Government Resources Review**	**3**	**2.15pm**
2.	**Proposed new parliamentary constituencies - implications for local government**	**19**	**3.00pm**
3.	**Localising council tax reliefs**	**27**	**3.15pm**
4.	**The council role in universal credit**	**33**	**3.35pm**
5.	**Directly elected Police and Crime Commissioners**	**41**	**3.50pm**
6.	**LGA/LG Group – structure and name**	**47**	**4.00pm**
7.	Governance Review (Oral) At their meeting on 12 October, the LGA Leadership Board will discuss the next stage of the LG Group governance review and report back to the LG Group Executive in November. In the meantime, following their discussion in September, the Board **recommend** to the LG Group Executive that the Councillors' Forum is opened up to any member from an LGA member council to attend.		4.10pm
8.	Note of LGA Leadership Board 12 October 2011		
9.	Note of last LG Group Executive	**55**	

Date of Next Meeting: Thursday 10 November 2011 - 2.15pm, LG House

LG Group Executive
13 October 2011

Item 1

Local Government Resource Review

Purpose of report

To update the Executive on the Local Government Resource Review (LGRR) consultation and seek approval of the main points to be covered in the LG Group's response.

Summary

This paper summarises the work done in analysing the LGRR consultation and establishing the views of member authorities, and sets out an outline of the proposed LG Group response to the Government's consultation.

Recommendation

Members are asked to consider the analysis in this report, comment on the proposed outline of the LG Group response to the Government's consultation and authorise the Leadership Board to approve the full consultation response.

Action

Director of Finance and Resources

Contact officer: Stephen Jones
Position: Director of Finance and Resources
Phone no: 020 7664 3171
E-mail: Stephen.Jones@local.gov.uk

LG Group Executive
13 October 2011

Item 1

Local Government Resource Review

Background

1. The Government published Terms of Reference for the first part of the Local Government Resource Review (LGRR), covering the retention of business rates, in March 2011. The Executive discussed the principles for reform and authorised publication at the annual conference of the document “Balance Transfer”, setting out ten principles that we believed should underpin the design of a reformed business rates system. These principles were developed following extensive consultation with member authorities and are summarised at **Appendix A** to this report.

2. The Government issued its consultation document on 18 July and followed this up with eight detailed technical papers that were published on 18 August. We issued immediate briefings on each of these for the benefit of member authorities. The briefing on the initial consultation is available to member authorities at http://www.lga.gov.uk/lga/tio/19377920 and the briefing on the technical papers at http://www.lga.gov.uk/lga/tio/19786685.

3. As well as providing briefings on the Government’s consultation material, the LGA has provided a range of detailed analysis material to member authorities through an on-line Community of Practice (www.communities.idea.gov.uk/c/11557472/home.do) to illustrate how the Government’s proposals might be likely to work in practice. We hosted a one-day conference on the LGRR on 30 September, attended by around 120 officers and members. This was chaired by Cllr David Sparks and included presentations from Cllr Sir Merrick Cockell, Bob Neill MP and Barbara Keeley MP. Officers have also attended a number of meetings organised across the country to discuss the impact of the LGRR and the Government’s proposals. These meetings have involved both professional networks such as the various treasurers’ societies and meetings of elected members. As a result, we believe that we have established clearly where there is consensus in relation to the Government’s proposals and where individual authorities’ views diverge.

The Government’s proposals

4. It should be acknowledged that the Government’s consultation on the business rates retention scheme is clear, in most places genuinely open about the available options and very fully and professionally constructed. The consultation material in officers’ view exposes all the relevant issues that need to be considered in relation to the LGRR. This has assisted detailed debate and understanding of what is being proposed, and enabled the full implications of most aspects of the reform to be fully considered. The thought that has gone into the consultation process deserves praise and recognition.

5. The extent of detail in the material makes the consultation proposals difficult to summarise. The following are the key high-level points:

    5.1 The proposed business rates retention scheme will initially work within the expenditure limits set as part of Spending Review 2010.

    5.2 Any forecast business rates income above this will be set aside and directed to local government through other grants. Local authorities will benefit from growth in business rates above forecast levels.

    5.3 Rate setting powers will remain under the control of central Government. The revaluation process will be unchanged.

    5.4 At the next Spending Review, the Government will consider the total spending figures for local government with a view to more closely aligning local authority functions and responsibilities with business rates income from 2015-16.

    5.5 Police authorities will, for 2013-14 and 2014-15, receive guaranteed funding at the levels set in Spending Review 2010. Fire authorities may be treated in the same way, or may be brought into the new scheme from the outset.

    5.6 The detailed arrangements provide for authorities to be rewarded for growth in their business rates income subject to a ‘levy’ on growth regarded as excessive, and a ‘safety net’ where business rates income falls below a pre-determined level. The ‘levy’ will fund the ‘safety net’ arrangements and possibly other provisions that might be needed to deal with volatility in business rates income. It is recognised that periodic ‘resets’ in which local authorities’ needs are re-assessed may be required, and authorities’ views are sought on the operation of resets including, in particular, the manner and frequency at which they are triggered.

    5.7 The detailed proposals also cover how the new scheme might interact with business rates revaluation; the possibility that authorities might combine resources through pooling – which the Government wishes to encourage; and the way in which the proposals on Tax Increment Finance (TIF), New Homes Bonus and Enterprise Zones operate in the context of the new scheme.

LGA analysis

6. In analysing the proposals and discussing them with member authorities up and down the country, there has been a general welcome for the underlying objectives of putting the business rate under local control and providing clear rewards for authorities that grow business rates income.

7. The nub of the issue though is how far what is on offer in the Government’s consultation really gives us the responsibility and autonomy we seek, in a fair

and sustainable way.

8. We have identified four principal areas where we believe the Government's proposals need to be modified in order to deliver the principles that were set out in our ten point plan, published in June ahead of the Government consultation.

The set-aside

9. The Government's proposals assume a "set-aside" arrangement under which the Treasury retains part of the income from business rates, at least up to 2014-15.

9.1 Under the Government's proposals, the level of forecast business rates that it expects local government to raise in 2014-15 will be compared to the spending control total that has already been fixed for local government in the 2010 Spending Review. A similar comparison will be made for 2013-14. The amounts by which the forecast business rates exceed the spending control totals will be used to fund other grants to local government. Local government only stands to benefit from the new scheme in aggregate if the business rates yield for 2013-14 and 2014-15 exceeds the Government's forecast.

9.2 The Government's Budget 2011 documentation contains forecasts of UK wide business rates yield (and RPI inflation) from which it is possible to estimate the current view of likely business rates yield in England and the implied real terms growth in business rates. Officers' analysis of these figures is summarised below.

	2013-14	2014-15
Forecast business rates yield (£bn) (England only)	24.8	25.9
Estimated "set-aside" (£bn)	1.1	3.5
Estimated RPI inflation to previous September (per cent)	3.4%	3.5%
Estimated real growth implied in business rates forecast (per cent)	1.3%	0.7%

9.3 It can be seen that the amount of "set-aside", at more than £1bn for 2013-14 and around £3.5bn for 2014-15, is very large. Members will recall that the LGA's initial analysis of the 2010 Spending Review numbers pointed to a £2bn surplus of business rates over 2014-15 funding. This figure was calculated on a broadly comparable basis and the reason why the estimated set-aside is now much larger is mainly because the inflation figures included in the Budget 2011 estimates are higher than those used at the time of the Spending Review.

9.4 The Government's proposals to remove the set-aside are therefore doubly disadvantageous to local government. Firstly they allow the Treasury, rather than the sector, the benefit of a major slice of business rates revenue. Secondly they give the Government the benefit of extra yield attributable to higher than forecast inflation, without any recompense for local authorities which now face funding cuts that are, in consequence, larger in real terms than the 28 per cent figure set out in the Spending Review.

9.5 A possible response to the issue of the set-aside would be for the sector and the Government to agree that some additional service responsibilities, now funded directly by Government, in future fell within the scope of business rates funding. Good candidates for that transfer might include the services relating to the economy – skills and transport – mentioned in the Open Public Services White Paper as candidates for localisation. It would, though, be important to ensure that local Government was not faced with transfers of responsibility to fund services whose costs are expected to grow by more in real terms than the likely future growth in business rates.

Fairness

10. We identified through the LGA consultation that it was particularly important for the relocalisation of business rates to be achieved in a way that was considered fair across the whole spectrum of local government. This is an objective that the sector shares with the Government. In his Foreword to the Government consultation, the Secretary of State makes clear that: “We are determined that the repatriation of rates should happen in a fair and effective way. Those places with greatest dependency should, and will, continue to receive support, while being allowed to keep the products of enterprise. Those places which raise the greatest sums through business rates should expect to make a contribution. And businesses, which need stability throughout this process, will see no difference in the way they pay tax or the way the tax is set.” The challenge is therefore not on acceptance of the principle but on translating it into a practical scheme for business rates retention that commands the confidence of the sector.

11. The way in which the Government’s proposals aim to deliver a fair system are through:

11.1 setting a funding baseline for each authority that is likely to be reasonably close to the answer that would have emerged from the application of the present Formula Grant system for 2013-14 and 2014-15;

11.2 applying a safety net to protect authorities against temporary or long term decline in business rates yield that is largely outside their control;

11.3 using a levy, that is likely to apply particularly to authorities that enjoy both high growth and high levels of business rates relative to their funding, to fund the safety net and potentially other mechanisms to safeguard the position of authorities whose income would prove insufficient; and

11.4 periodically re-setting the system in order to ensure that levels of resourcing stay broadly in line with needs.

12. These measures are all potentially useful ones in theory. However, the Government has not made any detailed statements about the level of protection that would be delivered through the ‘safety net’ arrangements, or fully exemplified its likely approach to the use of the levy to fund areas in need of support. Consequently, authorities have faced genuine difficulties in understanding whether the proposed arrangements are likely to meet their needs. Legitimate concerns have, for example, been expressed about whether, over time, the system would produce results that benefitted authorities with stronger local economies at the expense of authorities entering the system from a position of historic low growth and high levels of need.

13. Analysis of the scheme by LGA officers suggests that, over the period 2005-06 to 2009-10, business rates yield raised by local authorities grew on average by just under 1 per cent p.a. in real terms. If that position continued into the future, therefore, and if the proceeds of growth were to be fully returned to local authorities, one would expect that the business rates retention scheme would produce growth in authorities’ resources. Projecting the scheme over a four year period into the future, and assuming growth at an average 3.7 per cent p.a. compared with average inflation of 3 per cent, our modelling suggests that the scheme as proposed in the Government consultation papers might deliver an outcome of up to a 2 per cent p.a. above inflation increase in resources for around half of all authorities, and resource increases at a higher level for around one-tenth of authorities. By contrast, about one-ninth of authorities might receive increases in resources more than 1 per cent p.a. below inflation, and the remainder might receive increases in resources marginally below inflation. It must be emphasised that outcomes from this modelling are heavily dependent on the detailed design of the scheme, and in particular on whether top-up and tariffs are index-linked (assumed in these results) and on the rates set for the levy and the safety net.

14. Authorities will clearly have different views on what might be regarded as a ‘fair’ scheme. It is suggested that, in operating as a mature local government sector, our response to the Government consultation should be to encourage the development of more detailed options for business rates retention that can be properly exemplified at individual authority level for the purposes of more detailed consultation on the scheme design. Moving to a business rates retention scheme is a major change for the sector, affecting around half of non-schools funding. It is therefore vital that the detail of reform is designed very carefully, with further consultation. In a period in which the Government is seeking to constrain local authorities’ resources along with other public spending, concerns about whether authorities will have sufficient resources to deliver the full range of services that local communities expect to be provided are fully justified. It is suggested that these considerations might point to a preference at the outset for adopting the more cautious options on the design of the scheme (for example, measuring growth by averaging over more than one

year) rather than going for a high risk / high reward approach to the scheme design.

15. It will, furthermore, be vitally important to the safe introduction of the scheme that the Government gives clear assurances that, beyond the current spending review period, there will be no "set-aside" and that authorities will have unrestricted use of the full business rates yield. Continuing set-aside arrangements cannot deliver a scheme that is either clear or fair.

Risk

16. The move to business rates retention is intended to be introduced alongside continuing real terms cuts in local authorities' core funding, and alongside other reforms, most notably council tax benefit localisation. The combined effect of these reforms is to increase the level of financial risk authorities have to manage, both individually and collectively.

17. To give an idea of the scale of these risks, analysis of the present arrangements for the national business pool shows that, in recent years, both the Department for Communities and Local Government (CLG) and individual local authorities have found that business rates income is not easy to predict. At individual local authority level, this has resulted in authorities needing to claim back money from CLG when yield comes in below forecast. These repayments have in aggregate typically amounted to £500m - £600m p.a. in the recent past, and CLG have run the national business rates pool at a deficit that has been as high as £2bn in recent years, although it is currently planned to bring the pool back into balance by the end of 2011-12.

18. These risks are under the present system borne entirely by the Government. Under a business rates retention scheme, the risks will transfer to local authorities. It will therefore be very important to ensure that, particularly in transition to the new scheme, the arrangements enable risks to be kept to manageable levels. It would not be a good use of the sector's resources if, because of poor or uncertain design of the new scheme, authorities found it necessary as a matter of prudent financial management to increase reserves so that, in aggregate, the amount held was more than the £0.5bn p.a. currently allocated by the Government as annually managed expenditure to cover prior year repayments.

19. Proper risk management is an important part of the overall design of the new scheme. The consultation papers include some useful provisions that will help to manage risk, such as the 'safety net' provisions and the detailed proposals for managing payments between billing authorities and other authorities. The scope that is clearly being offered (and encouraged) for authorities to pool resources for the purposes of the scheme may also assist. However, arrangements for risk management need to be developed in much greater detail before authorities can have full confidence in planning for the transition to the new scheme. It is suggested that it would be appropriate to seek assurances

from the Government that, in working up the detailed design of the reform, risk management issues will now be the subject of much more in-depth analysis and consultation, and that the Government should stand ready to transition the full risk of the scheme to the sector gradually, over a period of years, if that appears desirable.

20. In particular, the sector needs clear assurance that, if the Government continues to take “set-aside” in 2013-14 and 2014-15, then the Treasury and not local authorities will fully bear the risk that, in aggregate, business rates might fail to achieve the forecast levels of real growth in each of these years, whilst leaving the benefit from upside fully with local government.

21. A further risk management issue arises because of the possibility that, as the scheme develops, authorities’ resources from business rates and council tax might diverge sharply from underlying levels of need for funding to provide services. It is therefore suggested that the Government should maintain the capacity and evidence base for the assessment of needs, and that any decision to invoke a reset of the system should be capable of being triggered by the local government sector on the basis of evidence. Making an advance determination of the period between resets of the system, or leaving the matter entirely at Ministerial discretion and without a clear evidence base would both appear to introduce avoidable risk. It should be noted that it is not necessarily the case that resetting the system would mean loss of revenue for authorities that had benefitted from business rates growth up to the time of the reset. As happens now with the damping of formula grant, it is quite likely that any changes introduced on a reset would be phased, to avoid sharp discontinuities in individual authorities’ levels of funding. A re-determination of baselines for the calculation of top-ups and tariffs could provide a mechanism for the phasing in of change.

Incentives

22. Our earlier consultation with member authorities identified that there was clear support for the proposition that authorities that achieved real terms growth in their local economies should receive a reward for their efforts. The Government’s policy, as expressed in the Ministerial Foreword to the consultation paper, is that “Councils should … see a direct link between the success of local businesses and their own cash flow. Any council that grows its local economy will be better off under the new system. This will create the right incentives for them to work closely with local businesses, helping to create the conditions for growth, and giving local leaders reasons to celebrate their successes, not conceal them.” There is therefore broad agreement that a clear reward for growth should be part of the new system.

23. A number of member authorities have raised concerns that business rates represent an unsuitable measure of economic growth. It is said, with justification, that rewarding growth in business rates income gives disproportionate benefit to the encouragement of growth in retail space and

large distribution centres, rather than encouraging growth in small businesses (whose business rates attract substantial levels of relief) or technology businesses that operate from a small physical footprint. A number of authorities are also concerned that major changes in those parts of the public sector that operate in their areas could act as a brake on overall business rates receipts and, consequently, limit the scope for benefit from the new system. These concerns are entirely reasonable ones but it is difficult to see how they could be accommodated within the design of the new system without introducing the kind of complexity that beset the LABGI scheme that operated in the second half of the last decade.

24. A further legitimate concern is that the scheme design creates an incentive that operates in a completely different way for ‘tariff’ authorities than for ‘top-up’ authorities. The proposed arrangements have an inbuilt gearing effect that means that, in terms of the level increased resources available for each percentage point of growth in business rates yield, ‘tariff’ authorities have more to gain – in some cases considerably more – than top-up authorities. Earlier research by LGA officers suggested that this gearing effect could range from something like a factor of 8 for the highest ‘tariff’ authorities (meaning that each percentage point of growth in business rates leads to an 8 per cent increase in resources) down to a factor of only just over 0.25 for the highest top-up authorities. The proposed ‘levy’ arrangements deal with this issue in part, in particular the option for a ‘proportional’ levy – although that option leaves substantial downside risk in place for high ‘tariff’ authorities.

25. It is possible that a simpler and clearer scheme could be produced by building arrangements around the following two propositions:

    25.1 If an authority grows its business rates by x per cent in real terms, then it should receive a real terms increase of the same x per cent in its resources; and
    25.2 Authorities whose business rates decline in real terms then share the remaining business rates.

26. This kind of scheme would not require top-up, tariff or levy arrangements, and would provide a clear and equal incentive for all authorities. Its principal downside would be that, for authorities that do not succeed in growing business rates, there is uncertainty over what funding level would apply. However, using average growth rates for 2005-06 to 2009-10, illustrative modelling suggests that such authorities would on this basis have received funding increases at a level roughly 0.75 per cent below the rate of inflation. In other words, the incentive for growth is clear and strong but the penalty for failure might not prove massively destabilising.

27. It is suggested therefore that in responding to the consultation the LGA should encourage the Government to test whether alternative ways of presenting its proposals exist that might be expected to deliver broadly comparable results but

which can be expressed in simpler and clearer ways, so that the nature of the financial deal for authorities is as straightforward as possible.

Development of the LGA response to the Government consultation

28. The foregoing analysis has set out the main points around which officers consider that a consensual response to the Government consultation could be built. **Appendix B** sets out the broad shape of such a response.

29. Beyond that, the consultation papers raise a very wide range of detailed issues. On many of these, it will be very difficult for the LGA to develop a clear consensus as individual elements of the scheme design will affect individual authorities in very different ways. For example, the consultation raises an important question about whether tariffs and top-ups should be index-linked. Authorities that are in a tariff position will almost certainly not want this result, whereas the reverse will be true for top-up authorities. In such situations, and given that the scheme overall will need to operate within the total business rates yield available, it is suggested that the mature approach is to go back to the underlying principles that are considered to be of the greatest importance for all authorities.

30. It is therefore recommended that, in developing the detailed LGA response, officers concentrate attention on shaping the outline response in Appendix B in accordance with the steer given by the Executive – and then arrange for the final version of the outline response, and an accompanying detailed response, to be signed off by members of the Leadership Board. The deadline by which responses have to be submitted is 24 October.

Financial Implications

31. This work is core work of the LGA and is funded within existing budgets.

LG Group Executive
13 October 2011

Item 1

Appendix A

LG GROUP TEN POINT PLAN FOR REFORM PUBLISHED IN "BALANCE TRANSFER"

We believe that the following ten principles must underpin the design of any new system in order for it to be effective and sustainable over the long-term. A reformed business rates system must:

1. Be based on stability and a continuing powerful commitment to resource equalisation across the country.

There are two strengths of the current system that should be carried through into any new system. Predictability of funding provides the stability that is needed for sensible planning, whilst a robust mechanism for equalization ensures that there can be a broadly level core service offer across the country.

2. End councils' dependence from year to year on grant distribution decisions by the Secretary of State.

The current formula grant system is widely seen as being opaque and far too subject to judgement calls on the part of Government.

3. Provide a direct reward for promoting local economic growth.

Councils already see the promotion of a vibrant local economy as one of their fundamental responsibilities. The capacity to receive a direct return on their investment in local economic growth would act as a further incentive and provide a stronger platform to engage local businesses in planning for growth.

4. Have a sensible starting point.

A smooth transition to a new system is absolutely critical, and requires a starting point that provides councils with some continuity. Using formula grant allocations to councils in the pre-changeover year as a basis for the starting point seems a workable proposition.

5. Ensure that councils whose business rate income grows faster than their spending needs make a contribution to equalisation.

The new system has to do a better job of allowing councils to harness the proceeds of local economic growth for their local residents. But, because business rates growth can be very volatile, places where growth is strong should make a contribution to ensuring that all authorities have adequate resources to meet the needs of their communities. Without that, the reform would not be sustainable.

6. Provide councils whose spending needs are greater than the amount they can collect from business rates with top-up funding.

Some councils will simply not be able to generate enough business rate income or other local revenue to cover their spending needs. Moreover, many councils in areas of the country that are most deprived or face significant constraints on their growth potential have the greatest pressures for costly services such as adult social care or children's safeguarding. These authorities will need extra support to meet the needs of local people.

7. Set up an independent body that is accountable to local government, not Whitehall, to manage equalisation.

Using an independent body to manage distribution would increase the scope for transparency and challenge, while providing more credibility to equalisation decisions.

8. Allow councils to manage equalization within a sub-national pool should they so wish.

Pooling seems the best way to manage both equalisation and the risk of fluctuations in how much business rate is collected. However, pools may be more effective if they operate at a sub-national level, likely corresponding with the real economic geography of an area.

9. Review the underlying balance of needs and resources periodically.

The sustainability of the whole local government finance system relies on ensuring that every authority's resources are sufficient to meet the needs of local communities. Both spending pressures and resources can change over time, and need to be reviewed periodically so that balance is maintained.

10. Operate within the context of a more diversified local tax base.

Business rates are just one component of the funding mix for councils. True localisation would allow councils to diversify their local tax base and develop the package of taxes, charges and incentives that are right for their areas. The purpose would not be to increase tax levels on businesses or individuals, but to find a more sophisticated balance of local revenue sources for local services. A more buoyant revenue base for councils could, in fact, reduce the pressures on any individual tax mechanism.

Local Government Group

LG Group Executive
13 October 2011

Item 1

Appendix B

OUTLINE RESPONSE TO LGRR CONSULTATION

The Local Government Association supports mechanisms which increase local decision making and accountability. We welcome the open approach that the Government has taken on its consultation about new arrangements for retention of business rates, and the full analysis incorporated in the Government's consultation paper and the accompanying technical papers.

In our publication 'Balance Transfer' we set out ten principles for the design of a reformed local government finance system incorporating business rates retention. These principles underpin our response to the Government's consultation and we believe that they constitute the appropriate framework against which to test decisions taken by Government following the consultation.

We welcome the Government's underlying objectives of putting the business rate under local control and providing clear rewards for authorities that grow business rates income.

We believe that the Government's proposals require modification or further development in a number of key areas if they are to deliver the desired objectives. In particular:

The "set-aside"

1. We recognise the decisions that the Government has taking in Spending Review 2010 but do not consider that it is necessary or desirable that the Treasury, rather than local government, should benefit from any forecast real growth in business rates yield. The benefit of above-inflation growth should be fully available as an incentive to local government.

2. We believe that it would be appropriate for the Government to agree further areas of devolution to local government, particularly in matters related to economic growth, that could be brought within the scope of business rates funding without imposing new financial burdens on local government. That would obviate the need for any "set-aside".

Fairness

3. Moving to a business rates retention scheme is a major change for the sector, affecting around half of non-schools funding. It is therefore vital that the detail of reform is designed very carefully, with further consultation. The current constraints placed around local authorities' resources over the remainder of the spending review period mean that concerns about whether authorities will have sufficient resources to deliver the full range of services that local communities expect to be provided must be fully addressed. It may therefore be preferable at the outset to adopt the more cautious options on the design of

the scheme (for example, measuring growth by averaging over more than one year) rather than potentially more volatile alternatives.

Risk management

4. Proper risk management is an important part of the overall design of the new scheme. The arrangements for risk management within the business rates retention scheme need to be developed in much greater detail before authorities can have full confidence in planning for the transition to the new scheme. The Government should, in working up the detailed design of the reform, ensure that risk management issues will be the subject of much more in-depth analysis and consultation. The Government should also stand ready to transition the full financial risk of the scheme to the sector gradually, over a period of years, if that appears desirable.

5. To mitigate the risk of authorities' resources diverging substantially from what is required to deliver services, the Government should maintain the capacity and evidence base for the assessment of needs, and any decision to invoke a reset of the system should be capable of being triggered by the local government sector on the basis of evidence.

Incentives

6. Financial incentives for local authorities under the business rates retention scheme need to be clear and straightforward. The Government should test whether alternative ways of presenting its proposals exist that might be expected to deliver broadly comparable results but which can be expressed in simpler and clearer ways.

LG Group Executive
13 October 2011

Item 2

Proposed new parliamentary constituencies - implications for local government

Purpose of report

For discussion and direction.

Summary

On 13 September, the Boundary Commission for England launched a 12-week consultation on its initial proposals for new Parliamentary constituency boundaries in England. The consultation will include a series of public hearings across the country. The equivalent Welsh report is due later this month.

This report summarises the key implications of the initial proposals for local government.

Recommendation

That Executive discusses the implications of the initial proposals and agrees how they wish to respond.

Action

LG Group officers to action.

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Local Government Group

LG Group Executive
13 October 2011

Item 2

Proposed new parliamentary constituencies - implications for local government

Background

1. On 13 September, the Boundary Commission for England launched a 12-week consultation on its initial proposals for new Parliamentary constituency boundaries in England. The consultation will include a series of public hearings across the country. The equivalent Welsh report is due later this month.

2. The key requirements underpinning the 2013 review are:

   2.1 reducing the total number of MPs to 600 (for England this means a reduction from 533 to 502) and
   2.2 equalisation - ensuring that each constituency contains a similar number of registered electors (no more than 5 per cent more or less than the current electoral quota of 76,641).

3. The only exception in England is the Isle of Wight, which will have two constituencies. The Commission was also asked to take account of appropriate local authority boundaries, existing constituency boundaries and geographical/historical connections.

The issue

4. In its initial proposals, the Commission has respected existing euro constituency boundaries (the "regions"). It has also chosen to use existing ward boundaries as the main building blocks for its analysis. However this means that previously solid boundary lines (counties) are crossed where necessary.

5. The Commission's approach was to look at the sub-regions within any region. In a limited number of cases, a county was classified as a sub region, but in most cases the equalisation requirement means that sub-regional units cover more than one county.

6. The combined impact of the equalisation requirement and the reduction of seats means that in England only 77 constituencies have the same proposed boundaries. <u>Only 44 per cent of the new proposed constituencies are contained within one local authority.</u>

Proposals for each region

North East

7. The North East - the only region besides London with all unitary authorities - has been allocated 26 constituencies.

8. All the existing seats in the region will change, no authority will be in full alignment with its constituency. No seat in North Tyneside, and only one in Newcastle's, falls purely within the authority boundaries. A cross-county seat covers west Durham and west Northumberland. The creation of unitary authorities for Northumberland and Durham mean a number of seats fall wholly within new local authority boundaries although not along previous district boundaries.

9. The region demonstrates the tension between "natural" and local authority boundaries when deciding how to model the new constituencies. The Commission having decided not to have any constituencies crossing the River Tyne through the urban conurbation was forced to develop a more radical breaking of local authority boundaries.

Yorkshire and the Humber

10. Yorkshire and the Humber have been allocated 50 constituencies (a reduction of four), of which five remain unchanged.

11. The region demonstrates the tough logic of the equalisation. It had been widely assumed by those who had modelled possible outcomes that North Yorkshire would remain unchanged as all the existing constituencies were within the allowable variation. In fact significant changes occurred because of "misfit" in the adjacent areas.

12. In two districts – Scarborough and Craven - district and parliamentary boundaries still coincide but only one unitary has fully aligned boundaries. There are no changes in Doncaster. Old county boundaries are also crossed - North Riding into South and West and East Riding with Lincolnshire.

North West

13. The North West has been allocated 68 constituencies (a reduction of seven). Seven of the existing constituencies would remain unchanged.

14. Cumbria remains intact as a county with its five constituencies entirely within the county. However there is not alignment with districts, although one district - Copeland is fully subsumed within one constituency. All other county

boundaries are crossed. St Helens is the only authority where its two constituencies are contained within authority boundaries.

West Midlands

15. The West Midlands has been allocated 54 constituencies (a reduction of five), ten of which would maintain existing boundaries.

16. The old Staffordshire county boundaries remain intact - but only Staffordshire Moorlands constituency coincides with district authority boundaries. All other county boundaries are crossed and elsewhere only Coventry has aligned constituencies (three). All other metropolitan boroughs in the West Midlands have at least two constituencies which cross borough boundaries - five in the case of Sandwell.

East Midlands

17. The East Midlands has been allocated 44 constituencies (a reduction of two). Of these ten remain unchanged.

18. No unitary in the region has aligned boundaries, and some county borders - Leicestershire with both Nottinghamshire and Northamptonshire - are crossed. Chesterfield constituency has been slightly increased in size and now covers the whole local authority area. In Bassetlaw, Erewash and North East Derbyshire the constituency and the authority are aligned, whilst both Northampton seats are within authority boundaries. The proposed changes in Lincolnshire are relatively modest.

Eastern

19. Eastern Region has been allocated 56 constituencies (a reduction of two), nine of which would be unchanged.

20. Not one local authority is in full alignment with constituency boundaries. Perhaps the most extreme is in Central Bedfordshire where only one of five seats is wholly within the boundaries, and three cross into Hertfordshire.

London

21. London has been allocated 68 constituencies (a reduction of five), four of which would remain unchanged.

22. Only 30 of the 68 constituencies are purely in one authority. 37 contain parts of two authorities and one - Islington and City - covers the City of London and parts of both Islington and Camden. There are two London boroughs whose

boundaries are aligned with constituencies – Tower Hamlets, which remains unchanged and Bromley. One constituency - Richmond and Twickenham - crosses the River Thames, whilst Chingford and Edmonton crosses the River Lee.

South East

23. The South East has been allocated 83 constituencies (a reduction of one). 18 of the existing constituencies remain unchanged.

24. Population growth means this region has the least changes, with 23 existing constituencies having two or fewer wards changed. Only one unitary - the Isle of Wight with its guaranteed increase to 2 seats - has alignment. There is limited crossing of county borders (one East Sussex/Kent seat) and some alignment at district level (Epsom and Ewell, and West Oxfordshire). Neither the Prime Minister nor the Leader of the Opposition face any changes in their respective constituencies.

South West

25. The South West has been allocated 53 constituencies (a reduction of two). 14 existing constituencies would remain unchanged.

26. County boundaries are crossed, with Cornwall/Devon creating the most press interest. However Bristol now is aligned with its four constituencies, and North Somerset and Swindon with each of their two constituencies. Gloucestershire has only very limited change. At district level there is alignment in South Somerset and North Devon.

Summary of changes in England

27. Under the current proposals, nine top tier authorities and twelve districts will be fully aligned with their constituencies. In many areas, constituencies will fall wholly within one authority, and in others there will be near alignment but this does change the electoral map.

28. It is clear that in preparing their proposals, the Electoral Commission was not anti-alignment. It was simply that in their brief, alignment was a desirable outcome but equalisation a necessary one. To illustrate, Norfolk was grouped with Suffolk for the review. The county boundary was crossed because with an electorate of 651,119 Norfolk was slightly too large to have eight of the largest seats (maximum 643,784) and slightly too small to have nine of the smallest. (655,290 minimum population required).

29. The second reason for the low level of alignment was the use of existing ward boundaries as the basic building blocks for the new constituencies. In many

parts of the country the number of registered voters in any given ward is greater than the allowable variation in constituency size. This has led to a significant number of constituencies with so called “orphan” wards. In one authority all bar one ward falls into this category.

30. There is now a review every five years. With a maximum size of parliament now set, and a growing electorate, we must assume that even the current proposed limited alignment will be very short lived.

Implications for Local Government and the LG Group

31. These proposals effectively disconnect local government and parliamentary boundaries. Local government boundaries will no longer be the key factor in Party political organisation. For the Conservatives, and for Labour in particular, Constituency Associations or Constituency Parties are the core organisational unit, often owning property or employing staff. The Liberal Democrats have more flexible structures, but consider for instance Islington South and Finsbury, a key target for them during most of the last decade, where the proposed new constituency covers the City of London, most of the old Islington South and two wards covering old Holborn in Camden.

32. As there is a two year window before the new boundaries are finalised we can assume that most party energy will be focused on this and viewed through this prism. Within parties, discussion about and focus on local government could be further marginalised and moved aside to separate forums

33. Whilst local government might hope that MPs would concentrate more on national agendas, MPs whose constituencies cross local authority boundaries could view the resulting variations in services as anomalous, and become advocates of more standardised provision. MPs who face radically changed constituencies (especially if their seat is deemed marginal) may become ultra active in their new constituencies as they try to establish a presence.

34. Whilst there always have been constituencies that were not fully aligned with authorities, until now these were the exception. Under these proposals, the majority of constituencies will fall into this category. This non-alignment will cover not just local authorities but other elements of local public services such as health and police. Given the almost default mentality of Whitehall that larger units of government are better, we may well face future parliaments in which many more MPs take this view because of the additional complexities they will face interacting with more than one local authority, health authority, police and crime commissioner and so on.

Opportunities and implications for the LGA

35. With a combination of squeezes on party spend, and the non alignment of party and local government structures, it is likely that the LGA political groups will increase in importance. We should consider how to reposition the party groups to respond to this. At the same time the Annual LG Group conference is likely to become even more important as the only event providing the space for political focus on local government.

Conclusion and next steps

36. Parliament has agreed a limited window for consultation, finishing in early December, and twenty seven assistant commissioners have been appointed to handle the consultation process. The commission will then release its final recommendations, which are subject to parliamentary approval.

37. We await the publication of the Welsh boundary review. However given the significant reduction in Welsh MPs, and with a similar framework for the review, similar challenges are likely to be faced in Wales.

LG Group Executive
13 October 2011

Item 3

Localising council tax reliefs

Purpose of report

To set a position on the Government's proposal to localise council tax reliefs.

Summary

Localising the system of council tax reliefs could create an opportunity to turn council tax into a better tax and give councils more control. The Government's proposal is more pragmatic: it invites councils to find a 10 per cent cut in funding for reliefs but puts tight limits on which taxpayers might be affected. Overall, this probably requires councils to impose an average cut of a third, rather than 10 per cent, on a sub-set of existing benefit claimants. And in some areas, councils simply have too many protected taxpayers for the arithmetic of the cut to add up. At the Executive meeting, officers will set out some possible alternative approaches and invite members' views on how we should respond to the Government.

Recommendation

Members are invited to consider the options for responding to the Government's consultation.

Action

Officers to submit a consultation response in line with Members' views. [Paul Raynes]

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LG Group Executive
13 October 2011

Item 3

Localising council tax reliefs

Background

1. The Government is minded to localise Council Tax Benefit and is consulting on how to do so. A consultation document on Localising Support for Council Tax in England was published on 2 August, with a closing date of 14 October.

An odd benefit that gives people taxpayers' money to pay tax with …

2. The council tax was cobbled together in a crisis in 1990. The Lyons Report catalogued its deficiencies: for example, it isn't either a rational tax on the occupation of property, or a fair tax on wealth or income. It isn't related to ability to pay. Since it was introduced, a social security benefit linked to low income and varying with family circumstances – Council Tax Benefit (CTB) – has helped some people pay their council tax. This is pretty odd, but it works reasonably well and, for poorer people, provides a relief linking council tax to ability to pay. Largely because of CTB, council tax collection rates are higher than for any other tax. That gives councils an exceptionally stable, predictable revenue base.

...could be replaced by a real local tax…

3. Localising the system of council tax reliefs creates a great opportunity to turn council tax into a better tax and give councils more control. Councils could make their own decisions about who should pay, and how much. They could use it as a property tax to improve the operation of the housing market, say, or take a more active approach to redistribution and make it a fairer tax. This would be a seismic shift towards a more localist system of government.

…but that's not what the Government's proposals do

4. The Government is not, however, proposing such a localist vision of a reinvigorated council tax system. Its decision to localise council tax reliefs has two motives:

   4.1. to provide a way to absorb a 10 per cent cut – roughly worth £500 million - in the funding for CTB;
   4.2. to shift the cost of CTB from the benefits bill – which is demand-led and requires the Treasury to finance whatever it turns out to cost – to cash-limited spending in councils' budgets.

5. The Government is proposing very limited discretion about what changes councils could make to the status quo within a "localised" system.

6. The main elements of the Government's proposals are these:

   6.1. a 10 per cent cut in funding for CTB;
   6.2. councils would have the duty from 1 April 2013 to make local schemes for relieving people from the council tax;
   6.3. local schemes would not be allowed to change the entitlements of pensioners, and "vulnerable" people should be protected ("vulnerable" isn't defined, although the consultation mentions the Child Poverty Act);
   6.4. local schemes should protect work incentives;
   6.5. within local schemes, councils might have limited extra discretion to vary some council tax discounts.

Councils are being asked to get a quart into a pint pot, and very fast

7. This sets councils a very knotty problem. Here are some facts about CTB, which we will illustrate more fully at the Executive's meeting:

   7.1. the 10 per cent funding cut is worth roughly £500 million;
   7.2. there are 5 million claimants;
   7.3. roughly half the claimants are pensioners;
   7.4. roughly half the rest are families with children, which might be one definition of "vulnerable" claimants;
   7.5. so councils are being asked to share the £500 million cut among 1.3 million claimants, which works out at an average loss of some £330 each – while also protecting their work incentives.

8. These are just the national totals, of course. Some councils' actual caseload makes the basic arithmetic even more problematic. We know of a number of places where benefit spending on non-pensioner, non-"vulnerable" cases is less than 10 per cent of the budget. Where are such councils expected to find the rest of the cut?

9. There is also a timetable issue. The Government proposes that councils should formally consult on new schemes. New schemes are likely to involve changes to IT systems. Legislation – a Bill and regulations – must come first. Doing all that in time to set robust 2013-14 budgets will be extraordinarily challenging, to say the least.

Conclusion and next steps: Alternative approaches

10. Within the Government's consultation proposals, there are alternative ways councils might avoid imposing the cash cut directly on claimants. There are also other courses the Government might take, which could make the cut less focussed on a small group of benefit claimants. Officers will briefly present a menu of such options at the Executive meeting for Members to consider as the basis of the Group's response.

Financial Implications

11. The Group's work on this issue falls within the budgeted resource for the Finance programme.

LG Group Executive
13 October 2011

Item 4

The council role in universal credit

Purpose of report

For discussion and direction.

Summary

This paper outlines the Government's proposals for a single Universal Credit and the potential role for councils in its delivery.

Recommendation

Members are invited to comment on and agree the case for a locally-commissioned face-to-face offer within the Universal Credit system and the lobbying position on the transition period.

Action

Members and officers to pursue opportunities to make the case for local delivery over the rest of this autumn

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Local Government Group

LG Group Executive
13 October

Item 4

The council role in universal credit

Background

1. The Government plans to replace the main working-age social security benefits and tax credits with a single Universal Credit. It is still making decisions about how Universal Credit (UC) will work and how it will be delivered. Many councils consider that local government should play a significant role in delivering the future UC service to claimants. This paper suggests steps the LG Group should now take to ensure those options are properly developed.

Universal Credit is a simple vision…

2. The current range of benefits and tax credits is confusing for claimants, costly to administer, and – despite years of reform intended to strengthen work incentives - does not make it sufficiently clear to people that they are better off working. The Government plans to replace most of them with a single payment, available to those of working age in and out of work, with a single transparent rate at which benefit reduces as earned income rises. Ministers' objective is to encourage work and family responsibility, and to cut the high costs of the current system. In order to make the system simple to administer, the Government aims for the new UC to be claimed online as the default method.

3. When the LG Group Executive has discussed this reform on past occasions, it has endorsed the overall aim of this reform, as have the main parties in Parliament, but expressed concerns about its possible impact on the people councils currently serve.

...that raises some complicated issues

4. Achieving this reform is a task of fearsome complexity. Members will have noted recent press reports suggesting – we believe accurately - that Ministers consider UC to be one of the Government's highest-risk programmes. It carries four broad risks for councils:

   4.1. as community leaders: the proposal for a single per-household direct cash payment to claimants, not landlords, monthly rather than weekly, creates a significant risk that claimants may struggle to budget for themselves, and that households whose head is in this position will face more problems than they now do under a system where individual household members receive their own payments; it is also unlikely that the great majority of claimants will be able to access UC online to start with, and that many will need help to make and manage their claims: many councils consider that helping local residents who need help in this sort of situation is a core part of what they do;

4.2. as creditors: the cash payment creates a risk of higher rent arrears; this could affect landlords, including councils;

4.3. as housing authorities, picking up any rise in evictions as a result in claimants defaulting;

4.4. as organisations: the proposed merger of housing benefit into UC means that councils would no longer have a role in housing benefit for working-age claimants; this has potentially significant consequences for how councils run themselves; some district councils, for example, may currently employ around a quarter of their staff paying benefits.

So how will UC be delivered?

5. It is important for councils that the structure of the Credit and the design of its delivery arrangements should manage those risks adequately. The emerging consensus is that how these risks are managed will depend on the delivery model for Universal Credit. While it is generally agreed that there will need to be a face-to-face service to complement online delivery and the computer systems that lie behind it, that service has not yet been scoped out in detail.

6. In fact, very few firm decisions have yet been taken and promulgated about how the new credit will be delivered or when and how the existing caseload will migrate to the new system. What is publicly announced is that new claims for UC

6.1. will begin in October 2013;
6.2. will be handled, to start with, by Jobcentre Plus (JCP); but that
6.3. decisions about the final delivery arrangement will not be made until 2015 and will not be implemented until 2017.

7. This creates a lot of uncertainty for councils. Unlike the Government, councils are not in control of the decision-making process or timetable for the UC programme and the vast majority of decision-makers in councils have very limited visibility of the Department for Work and Pension's (DWP) approach to the issues, even where they are sighted on the significance of the coming changes. The first year of UC will also be the first year of Council Tax Benefit localisation, which is likely to increase the risks of confusion and financial turbulence.

Making the case for councils in the UC programme

8. Local government is represented in the UC programme structures, initially directly by the LG Group and since September by Paul Martin, the chief executive of Wandsworth (we understand him to be representing the LG Group, although DWP prefer to take the view that he represents SOLACE only). LG

Group and council officers attend other boards within the programme. Through these mechanisms, we are seeking to ensure that councils' concerns are properly considered by the Government's programme. Council officers have also been seconded into the DWP teams working on the design of the new Credit. It is clear that DWP finds it easier to understand issues relating to existing Jobcentre Plus customers than those relating to today's tax credit and housing benefit cases, and we are seeking to help them develop their understanding of these wider issues.

9. It is not for us to decide the pace at which DWP is taking the crucial decisions about the UC programme. But there are three issues on which we need to continue applying pressure:

    9.1. councils must be given enough notice and sufficient detail about the transition to the new system to allow them to make sensible plans; the workforce and systems consequences of the planned change are huge and taxpayers will lose out if councils cannot plan and budget for them in a timely way; given the Government's commitment to treat the costs of transition as a new burden, it will also be important to measure them accurately;

    9.2. councils need to make sure that the design of the new system, which involves issues and client groups with which DWP/JCP are unfamiliar, is adequately informed by the experience of councils in dealing with those issues and client groups; this is not simply out of a benevolent concern to see the project succeed in itself: failure to understand, for example, the potential impact of the reform on local social housing would have direct repercussions on council services;

    9.3. we need to establish what, if any, the future long-term council role in Universal Credit delivery – and indeed in the delivery of benefits in general – will be.

10. The rest of this paper seeks Members' views on how we approach the third of those issues.

The council delivery role

11. There is wide agreement that many UC clients will need to be supported by a good face-to-face service, even if the base method for delivering UC is online. The Government's initial estimate of the proportion of clients who will need face-to-face support was about 20 per cent. A survey conducted by the District Councils Network suggests that the median figure is more likely to be 50 per cent, at least initially.

12. Such a face to face service might have a number of components, including but not limited to:

    12.1. help with making claims, for clients who cannot easily do so online;
    12.2. help with job search;
    12.3. help with budgeting and with creditors;
    12.4. help with accessing crisis financial support (a role which will pass to councils from JCP as part of the reform);
    12.5. liaising with landlords;
    12.6. help with health, addiction, training, and other return-to-work issues;
    12.7. the imposition of benefit conditions (such as job search, or attending training).

13. It is clear that no one existing organisation is currently configured to provide such a service. UC creates scope for the development of new customer-centred services on the kind of holistic model many councils envisaged through Total Place. A number of contributors to the discussions so far - including many from outside local government - have made the case for a locally-commissioned delivery model that would allow the best of different existing agencies' delivery offers to be combined in a way that best suited local clients.

14. The Government has, however, chosen JCP as its initial delivery agent for the first two years of Universal Credit. This decision is perfectly sensible, and is explained by DWP's desire to limit the number of changes it will introduce at any one time and so reduce the risk profile of the project. At the same time, it creates a new risk, which is that the ambition of the face-to-face service becomes constrained by the choice of JCP as the delivery agent in the first phase, that councils exit the benefits field as a necessary cost-saving measure, and that decisions in 2015 about long-term delivery models are made on the basis of a suboptimal range of solutions.

15. Working as LG Group, but also liaising very closely with other partners, in particular the District Councils Network within the LG Group family, we have maintained a consistent argument for locally-commissioned face-to-face delivery. This has kept the option on DWP's radar screen. In his letter of 12 September to the Chairman, the Secretary of State for Work and Pensions said:

    I will not take firm decisions on the longer-term delivery of Universal Credit until I have evidence from the initial transition. But in the meantime, as well as continuing to support existing Housing Benefit claimants, I see a role for local authorities in providing elements of the face-to-face service. And in the longer terms, I also see local authorities as having a role in relation to pensioners and housing support. Officials are working with local authority representatives to establish what form this service might take; I look forward to receiving and evaluating the propositions which your officers are developing in these areas.

16. Officers, with Allen Graham, the chief executive of Rushcliffe, playing a valuable leading role, have been working up a specific offer to run pilots of a council-convened service alongside JCP delivery from 2013. A number of councils of different kinds and from different parts of the country have expressed an interest in taking part in such an experiment.

Conclusion and Next steps

17. Our proposed next steps would be as follows:

    17.1. we should continue to focus on the case for a locally-commissioned face-to-face offer (recognising that some councils have no interest in a continuing direct delivery role but would be keen to commission an external service; while others wish to go further and provide back-office and well as face-to-face support under UC);

    17.2. officers, who have already fed an initial offer of council-run face-to-face pilots from 2013 into the decision-making structures of the Universal Credit programme at DWP, should continue to press this home throughout the Programme;

    17.3. the Chairman should, with the Executive's support, write back to the Secretary of State explaining our position in more detail and asking for a discussion soon about our offer council-based face-to-face pilots from 2013.

18. Alongside this, we would also continue working to ensure the Government understands the need for councils to have a clear and early understanding of how transition to the new system will work so that they can make plans and protect their customers.

Financial Implications

19. This work can be accommodated within the agreed budget for the Finance Programme.

LG Group Executive
13 October 2011

Item 5

Directly elected Police and Crime Commissioners

Purpose of report

For discussion and direction.

Summary

This paper provides an update on the Government's plans to introduce police and crime commissioners and the lobbying the LG Group has undertaken around the proposals. It also outlines the support the LG Group is providing to councils to prepare for the introduction of police and crime commissioners in November 2012. The paper also raises the issue of a national membership body for commissioners.

Recommendations

Members are invited to:

1. Consider the programme of support for councils in preparing for the introduction of police and crime commissioners;

2. Agree that officers should continue to investigate the potential for the Group to host the national membership body for police and crime commissioners.

Action

LG Group officers to action.

Contact officer:	Helen Murray
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Local Government Group

LG Group Executive
13 October 2011

Item 5

Directly elected Police and Crime Commissioners

Background

1. The Coalition Agreement set out the Government's intention of making the police more accountable through oversight by a directly-elected individual.

2. The legislative changes needed to introduce police and crime commissioners (PCCs) were incorporated in the Police Reform and Social Responsibility Bill introduced into Parliament in December 2010. Having been considered in detail by both the Commons and the Lords, the Bill was given royal assent on 15 September 2011. PCCs will therefore replace police authorities in 2012. Due to a late Government amendment the elections originally proposed for May, will now take place on 15 November 2012.

Local Government Group lobbying

3. The LG Group favoured a different model for improving police accountability. However, given the strong Government intention in this area, work has concentrated on improving the Government's proposals, particularly around the checks and balances in place to hold commissioners to account.

4. As the Police Reform and Social Responsibility Bill passed through Parliament the Group (through the Safer and Stronger Communities Programme Board) lobbied Government and opposition MPs and peers extensively.

5. While the Government voted down amendments in the Commons, discussions and votes in the Lords led the Government to make a number of important concessions to ensure their own peers supported the Bill. These Government amendments saw the Bill changed in line with the LG Group's aims. Specifically, the Government reduced the threshold for police and crime panels to veto the PCC's precept and nominee for chief constable from three-quarters to two-thirds. Other changes included membership of the panels and the ability to request that Chief Constables attend panel meetings.

6. One final amendment by the Government also proposed moving the date of the election from May to November 2012. The Lords tabled an amendment that would have delayed the elections until May 2013 to avoid the additional costs associated with holding the elections on their own, which the Government estimate as being an additional £25 million. There was a tied vote in the Lords on this amendment – the first in over a century – but due to parliamentary procedure the amendment then failed. As a result elections for PCCs will take place on 15 November 2012.

Local Government Group support to councils

7. There is now an imperative for the Group to work with councils to help them prepare for PCCs in 2012. We already have an intensive programme of raising awareness of some of the key changes associated with the introduction of police and crime commissioners. Visits have been made to councils or groups of councils in 19 police force areas (just under half of the forces in England and Wales) to outline the responsibilities PCCs will have, the responsibility of councils to establish police and crime panels and how PCCs will work with community safety partnerships. Meetings with councils in the remaining force areas are in hand.

8. In addition to the programme of visits the Group published a short guide (http://www.local.gov.uk/web/10161/publications/-/journal_content/56/10161/2841715/PUBLICATION-TEMPLATE) which has been well received by councils and others organisations such as police authorities. This will be followed by two further publications focusing on establishing police and crime panels and preparing community safety partnerships for PCCs. The Group is also holding a one day conference on PCCs on 19 October. The Group's work will be complemented by Home Office roadshows in January building on information acquired from in-depth discussions with four police force areas (Leicestershire, South Wales, West Midlands, and West Yorkshire).

9. As we approach November 2012, it is likely that authorities will be looking for more specific assistance around particular issues. Early indications suggest that resolving issues over who hosts police and crime panels, and how many members each council has on a panel could be areas where the Group can offer support. The Group may also wish to offer training and development for potential members of police and crime panels for example around police budgets. Members' views are sought on what other support the Group could provide to member authorities ahead of the election of PCCs.

National membership body for police and crime commissioners

10. There is broad support in police and Government circles for a national representative body for police and crime commissioners as a useful mechanism for engagement. Home Office Ministers and the Association of Chief Police Officers are agnostic about where this should sit. Given the role's shared emphasis on policing and crime prevention, there are clear benefits for both local government and the PCCs in aligning their representative bodies. For this reason the LG Group is exploring the scope to host the new PCC membership body, either through a corporate or an associate membership scheme.

Financial Implications

11. The Group's support to councils to prepare for the introduction of PCCs is a key business plan priority for the LG Group and will be resourced from within existing budgets. Support for an interim national body to represent PCCs would carry costs for the Group.

LGA/LG Group – structure and name

Purpose of report

For decision.

Summary

On 1 June this year we moved to an operational model that saw the LGA and four of the five central bodies – LGID, LGR, LGE and LG Leadership – brought together as a single integrated organisation under the name of the LG Group. However, behind this, the LGA remains as the membership body, and the company boards continue to exercise their respective remits. Whilst this ensures that good governance is maintained, use of the LG Group brand has led to confusion amongst the LGA's membership, members, staff, partners and those we are trying to influence.

The LGA Leadership Board discussed the issue at their Awayday on 14 September. This paper sets out their proposal for simplifying the structure and ensuring a strong brand for the organisation.

Recommendation (of the LGA Leadership Board)

That the LG Group Executive

1. Endorses the proposal to move to an integrated board structure where:
    a) The LGA becomes the dominant front-facing brand for the LG Group.
    b) The LGID (IDeA) company becomes the trading/service delivery arm, under the name of "LGA Services" (or something similar to be determined)

2. Invites the LGA Leadership Board to oversee the legal and operational changes associated with the integration

Action

Officers to implement in line with the LG Group Executive decision

Contact officer: Claire Holloway

Position: Head of Corporate Governance

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E-mail: claire.holloway@local.gov.uk

LGA/LG Group – structure and name

Background

1. In 1997 the LGA was established as an unincorporated association. It is essentially a membership club, operating in accordance with its Constitution, which can be changed by formal resolution. It carries unlimited liability on behalf of its members who stand behind it in the event of the distribution of assets or liabilities on dissolution.

2. The LGA is linked to a series of companies (**Appendix A**), each with its own Memorandum and Articles of Association. The documentation is fairly standard and can be changed if necessary. The majority of directors on each Board are appointed or removed by the LGA, but some are appointed by other bodies. Strictly speaking each company, through its Board of Directors, operates independently and each director is under a duty to act in the best interests of his/her company.

3. On 1 June this year we moved to an operational model that saw the staff of the LGA, LGID, LGR, LGE and LG Leadership - brought together into one integrated organisation. Most activities formerly carried out by the individual organisations continue in the new Group but no longer in separately defined units. Improvement is central to the work of teams across the Group, regulation is integrated into the work of the Programme Teams and leadership development (formerly undertaken by the Leadership Centre and LGID) is combined into a single unit.

4. However, whilst we are using the name "LG Group" to describe the new collective, it does not exist as a legal entity.

   4.1 The LGA remains the membership arm of the Group. Member council subscriptions are paid to it; its General Assembly meets annually and it appoints members to all LG Group governance structures.

   4.2 The company boards of the former central bodies remain, along with their boards of directors, or in the case of the Leadership Centre for Local Government, which is a registered charity, board of trustees.

   4.3 To minimise potential tax and pension-related liabilities, staff continue to be paid via the organisation by whom they were previously employed.

5. Until 2010/11, RSG topslice was paid to the individual companies. From April 2011, with the agreement of the Secretary of State, topslice is paid in a lump sum via the LGID (IDeA) Board and then distributed to the company boards to cover operational and overhead costs. If all employment contracts were held

by the LGA and LGID, distribution of topslice funding to LGE and LGR would no longer be necessary.

The issue

6. Whilst we now have a streamlined and affordable organisation, there is confusion amongst the LGA's membership, members, staff, partners and those we are trying to influence about what the LG Group is and what it is not. Member councils are unclear about the distinction between the LG Group and the LGA, and whether LGID, LGE, LGR or LG Leadership still exist (compounded by the fact that the company boards still carry the names of the original central bodies).

7. At their meeting on 14 September, the LGA Leadership Board considered

    7.1 Whether to move to an integrated company structure for the former central bodies (excluding 4Ps, which is subject to separate arrangements) recognising that the LGA is an unincorporated association, the Leadership Centre is a registered charity and LGID, LGE and LGR are companies limited by guarantee.

    7.2 Whether to return to the LGA brand as the dominant front facing brand.

8. They concluded that both were now timely. They also agreed that the two property companies should remain to avoid unnecessary costs such as stamp duty.

The proposal

9. The LGA, as the membership body, would become the dominant, front facing brand nationally and with the sector.

10. LGID, as the largest trading unit by far, and already the recipient of topslice, would be the vehicle responsible for delivering the Association's service responsibilities. This is the most pragmatic solution and would not significantly increase our exposure to liabilities for tax and pensions. To avoid confusion it would be possible to change the company name, or to trade under a different name - eg LGA Services or something similar - subject to certain legal requirements being met.

11. The change would need careful handling internally and externally, with clarity over the distinction between subscription and RSG topslice funded activities. The underlying structure of the LGA and its associated organisations would need to be clearly stated on the website, and in other key documents for legal, contractual and other formal purposes.

Implications for the remaining companies

12. To complete the transition, we should at some stage transfer all remaining staff and activity to the LGA and LGID, without generating adverse consequences for our pension contribution or tax liabilities. There are some potentially tricky technical issues to be overcome to put us in a position to make this change and work on these is in hand. In the meantime, the current agreement between the LGA and the Secretary of State for LGA to have all topslice funding being paid via the LGID company has been helpful.

13. Separately, the Resources Panel have instructed The Director of Finance & Resources to undertake work that would minimise potential costs associated with the group's overall pensions liabilities. Initial officer-level discussions that have taken place on this have been positive, although there is still some way to go.

14. The current position with the remaining central body companies is:-

    14.1 LGE – potentially in a position to be wound up, subject to Board approval. All business already handled through the Workforce Programme Board.

    14.2 LACORS – with agreement of the LG Group Executive, activities formerly carried out by the LACORS board can be transferred to the Safer Stronger Communities Programme Board. Meetings are taking place with NILGA and CoSLA, who are currently represented on the LACORS board and receive support for regulatory services, to ensure they are fully engaged in any change. Would require Board approval to wind up the company.

    14.3 Leadership Centre - charity still in place and not controlled by the LGA, so it will be for them to decide how they want to proceed.

Implications for our brand

15. Phasing out use of LG Group and returning to the LGA as our front facing brand would be relatively straightforward and inexpensive to achieve. The brand is already well known in the sector and with government. Existing supplies of LG Group stationery can be used up (much of this is held electronically and can be easily changed) and replaced with the LGA logo, already in existence.

Conclusion and next steps

16. Subject to the Executive's decision, the LGA brand can be promoted as the dominant brand with immediate effect. Integration of the company board structure is subject to a longer legal process, and regular reports will be brought to the LGA Leadership Board.

Appendix A

LG Group Companies

The following are all **companies limited by guarantee** unless otherwise stated:

"Central bodies"

1. Improvement and Development Agency for Local Government [LGID]
2. Local Authorities Coordinators of Regulatory Services [LACORS]
3. Local Government Employers [LGE] (registered as "Employers Organisation for Local Government")
4. Leadership Centre – registered charity
5. Public Private Partnerships Programme [4ps]
6. 4Ps Ltd (dormant company) – **company limited by shares**

Property companies

7. Local Government Association (Properties) Ltd (owns Local Government House)
8. Local Government Management Board [LGMB] (owns Layden House)

Other

9. Local Government International Bureau [LGIB]
10. Local Partnerships – limited liability partnership - joint venture between LGA and HM Treasury
11. GeoPlace LLP – limited liability partnership between Ordnance Survey and LGID
12. Local Government Information House Ltd [LGIH]
13. LGA Support Services (dormant company)

Associated

14. Centre for Public Scrutiny [CfPS] (registered charity whose funding is paid via LGID. Staff contracts are also held by LGID)

Local Government Group

LG Group Executive
13 October 2011

Item 9

Note of decisions taken and actions required

Title:	LG Group Executive
Date and time:	Thursday 15 September 2011, 2.15pm
Venue:	The Westminster Suite, Local Government House

Attendance

An Attendance list is attached as **Appendix A** to this note.

Item	Decisions and actions	Action by
1	**Chairman's Welcome**	
	Cllr Sir Merrick Cockell, Chairman, welcomed the new LG Group Executive to the first meeting of the new cycle and his second meeting as Chairman. In particular he welcomed new Members to the Executive – Councillors David Simmonds (Hillingdon LB), Mayor Dorothy Thornhill MBE (Watford BC), Stephen Castle (Essex CC), Roger Phillips (Herefordshire CC), Jill Shortland OBE (Somerset CC) and Ian Greenwood (Bradford MDC).	
2	**Membership and Terms of Reference**	
	Members **noted** the Terms of Reference and Membership for the coming year.	
3	**Civil Disorder**	
	Jo Miller introduced this item, updating Members on the LG Group's, council's and central Government's response to the disorder that took place in early August.	
	Members praised the work of councils, and the fire and police services in their local responses as well as the work of the LG Group in the national response.	
	In discussion Members made a number of comments:	

- agreed that an evidence-based approach using sound analysis, would produce the most effective outcomes. This was especially important as the cause of the disturbances varied from area to area. Members discussed the value in gathering evidence from those places that did not experience disturbances to see what lessons could be learned from them.
- It was noted that some areas had already taken a community budgeting approach.
- Some members considered that the media's response and reaction to the riots had been unhelpful at times. The media reporting that the riots occurred in the places that had seen the biggest cuts in their youth services is untrue as many of the areas had taken steps to protect these services.

The Chairman was a member of the Ministerial Recovery Group looking at these issues. He told Members that the Group had been evidence focussed and there would be further opportunities to share learning at a Summit hosted by the LG Group on the 27 October.

Decision

The Executive ***agreed***

- *To commend the work of councils in responding to the civil disorder in August and the short term measures in place to help councils and communities recover from the effects of the disturbances; and*

- *In the context of the wider policy response to underlying long-term issues,* ***agreed*** *the importance of council-led community budgets in addressing the needs of problem families and agree the LG Group's role in promoting that*

Action **Jo Miller**

Officers to action as directed by the Executive.

4 The future of health and social care

Cllr David Rogers introduced this report which updated Members on the LG Group's activities on the Health and Social Care Bill and the Dilnot Commission.

Members made several comments during discussions:

- To ensure that local authorities had appropriate powers and proper oversight of Health services in their areas, Members agreed that it was essential that the Health and Wellbeing Boards (HWBs) had the power to sign off the Joint Strategic Needs Assessment.

- The HBWs membership would be a matter for local determination, however it was expected that Councillors would have a role on the Boards.
- Concerns were raised about the difficulties faced in two tier areas. Cllr Rogers said that this difficulty had previously been identified and that the Community Wellbeing Programme Board had sought to emphasise the important role of district councils in health provision.

Decision

The Executive

- ***confirmed*** *that the LG Group's position, as set out in the report, reflects the priorities of councils and endorses the current and proposed LG Group activity in relation to the Health & Social Care Bill, the Dilnot Commission and the wider action on health and social care reforms.*

- ***agreed*** *that it was essential that the Health and Wellbeing Boards (HWBs) had the power to sign off the Joint Strategic Needs Assessment.*

Action
Officers to action as set out in the report. **Sandie Dunne/ Andrew Cozens**

5 Education reform and schools funding

Cllrs Robert Light, Mehboob Khan, Peter Box and Marianne Overton all declared a personal, non-prejudicial interest in this item.

Cllr David Simmonds, Chairman of the Children and Young People Programme Board, introduced this report. The key issues were around the funding of academies topslice and the role that local authorities would play in the future of education, as further schools became academies and their role becomes more strategic. The academies funding issue was one that affected all local authorities and the LG Group had been lobbying strongly to ensure that the Government is aware of the issues around academies funding and the extra burdens it will place on councils.

Members agreed that it was important for councils to have a strong role in the future of education and that councils were best placed to:

- support school improvement
- bring forward new provision
- champion educational excellence
- champion the needs of vulnerable pupils
- ensure every child has access to a place at a good school

Cllr Simmonds said that Members should be confident that councils will be vital to the changing landscape of education and would have an important bridging role with free schools and academies.

Members discussed the issue of schools funding, saying that councils should have a crucial role in making sure that the system was fair and equitable and reflected local priorities and needs across all schools in their areas. Local flexibility will allow councils and schools, through Schools Forums, to direct resources to meet particular local needs.

It was noted that the current funding proposals were not in accordance with the Government's own New Burdens doctrine and Members felt there was a danger of increased central bureaucracy as a result of these changes. Concerns were raised about the effects these changes could have on local authority powers to conduct pupils place planning, and exercise local admissions and exclusions policies.

Members also raised concerns about the value of the Education Funding Agency (EFA), due to the costs of setting up such a body and its remit. Cllr Simmonds informed the Members that the LG Group had been lobbying against the creation of the EFA, for these reasons. Members felt that, if the EFA was created it should be a transitional body, whose responsibilities and remit would necessarily shrink as further schools became academies with councils taking over its functions with time.

Decision

The Executive

- ***discussed*** *education reform and funding; and*
- ***identified*** *the priority areas for LG Group work.*

Action **Helen Johnston**
Officers to report the outcome of the discussion to the Children and Young People Programme Board and take account of any comments.

6 LG Group governance arrangements

John Ransford introduced this item as the commencement of the 12 month review following the introduction of new LG Group's governance arrangements in September 2010.

It was noted that the Chair of the Improvement Programme Board had a preference for the Board to be renamed the Improvement and Innovation Programme Board.

Decision
Members considered the current arrangements and agreed that a task and finish group on the 2012 Olympic and Paralympic Games should be formed.

Action
Officers committed to:
1. **Provide** a clearer Board diagram including sub-national arrangements and councils. **Claire Holloway**
2. **Provide** a further report to the Executive on Governance arrangements.
3. **Establish** a task and finish group on the 2012 Olympic and Paralympic Games **Helen Johnston**

7 Note of last LG Group Executive

Members **agreed** the note of the last LG Group Executive meeting.

8 LG Group Executive meeting dates 2011/12

Members **noted** the dates for the Executive meetings for the forthcoming year.

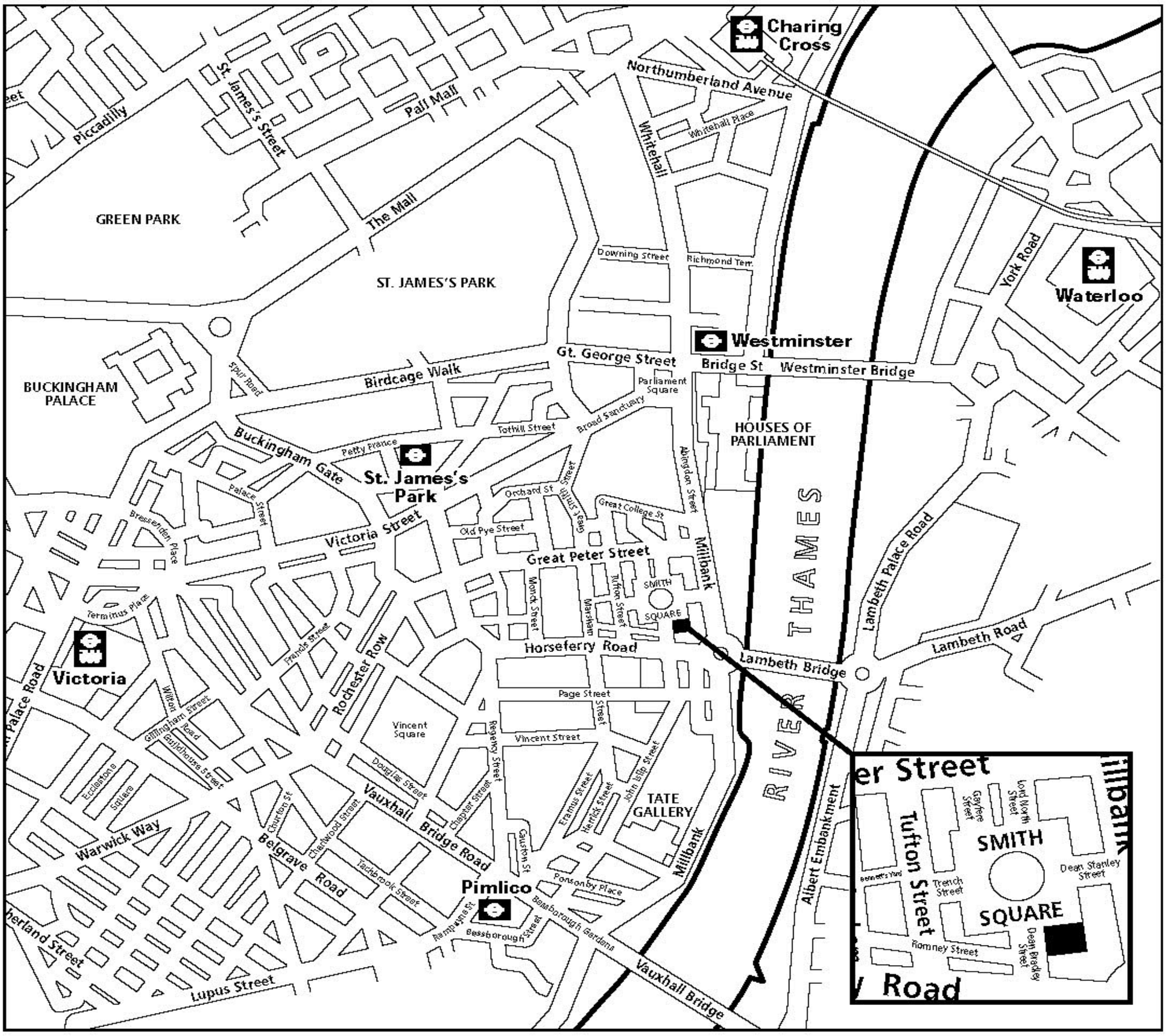
Appendix A

Attendance list

Position/ Role	**Councillor**	**Authority**
Chairman	Sir Merrick Cockell	RB Kensington & Chelsea
Vice-Chairman	Gary Porter	South Holland DC
Vice-Chair	Marianne Overton	Lincolnshire CC
Vice-Chairman	Gerald Vernon-Jackson	Portsmouth City
Deputy-Chairman	Robert Light	Kirklees Council
Deputy-Chairman	Andrew Lewer	Derbyshire CC
Deputy-Chairman	Robert Gordon DL	Hertfordshire CC
Deputy-Chair	Sharon Taylor	Stevenage BC
Deputy-Chair	Steve Reed	Lambeth LB
Deputy-Chair	Mayor Dorothy Thornhill MBE	Watford BC
Members	David Simmonds	Hillingdon LB
	David Parsons CBE	Leicestershire CC
	Paul Bettison	Bracknell Forest Council
	Peter Fleming	Sevenoaks DC
	Mayor Sir Steve Bullock	Lewisham LB
	Peter Box CBE	Wakefield Council
	Mehboob Khan	Kirklees Council
	Dave Wilcox OBE	Derbyshire CC
	David Rogers OBE	East Sussex CC
	Chris White	Hertfordshire CC
	Jill Shortland OBE	Somerset CC
	Paul Carter	Kent CC
	Angus Campbell	Dorset CC
	Philip Atkins	Staffordshire CC
	Martin Hill OBE	Lincolnshire CC
	Mayor Jules Pipe	Hackney LB
	Paul Watson	Sunderland City Council
	Ian Greenwood	Bradford MDC
	Sir Richard Leese CBE	Manchester City
	Stephen Castle	Essex CC
	Neil Clarke	Rushcliffe DC
	Stephen Houghton	Barnsley MBC
	Roger Phillips	Herefordshire CC
Substitutes	Simon Henig	Durham CC
	Marco Cereste	Peterborough City Council
	Ruth Cadbury	Hounslow LB
Apologies	Lord Peter Smith	LG Leadership

Peter Martin	Essex CC
David Sparks OBE	Dudley MBC
Edward Lord OBE JP	Local Partnerships
Robert Dutton OBE	Wrexham County Borough

LG Group Location Map



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Public transport
Local Government House is well served by public transport. The nearest mainline stations are; **Victoria** and **Waterloo**; the local underground stations are **St James's Park** (District and Circle Lines); **Westminster** (District, Circle and Jubilee Lines); and **Pimlico** (Victoria Line), all about 10 minutes walk away. Buses **3** and **87** travel along **Millbank,** and the **507** between Victoria and Waterloo goes close by at the end of **Dean Bradley Street**.

Bus routes - Millbank
87 *Wandsworth - Aldwych* ***N87***
3 *Crystal Palace – Brixton - Oxford Circus*

Bus routes - Horseferry Road
507 *Waterloo - Victoria*
C10 *Elephant and Castle - Pimlico - Victoria*
88 *Camden Town – Whitehall – Westminster- Pimlico - Clapham Common*

Cycling Facilities
Cycle racks are available at Local Government House. Please telephone the LGA on 020 7664 3131.

Central London Congestion Charging Zone
Local Government House is located within the congestion charging zone. For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car Parks
Abingdon Street Car Park
Great College Street
Horseferry Road Car Park
Horseferry Road/Arneway Street