

Note of decisions taken and actions required

Title:	LGA Executive
Date and time:	Thursday 13 October 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
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1	Local Government Resource Review	
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Stephen Jones, Finance Director introduced this item, setting out the key issues for local government finance in the Government's funding proposals and an outline of the suggested LGA response to the Government's consultation.

Members raised a number of issues, including:

- Whilst some members had significant concerns, the current proposals had the potential to give councils greater control over their funding base and represented a major opportunity.
- A key objective of business rates localisation should be to incentivise growth for local communities.
- The extent of the "set-aside" arrangement, under which the Treasury would retain part of the income from business rates until 2014-15. Members felt this would be a barrier to local growth by limiting the incentive to grow business rates, and should be challenged.
- The need for fairness in the current proposals. It was suggested that equalisation and 'resets' at least as frequently as revaluations, enshrined in legislation, and indexed tariff and top-up amounts would be required to deliver appropriate safeguards for authorities with poor prospects for growth, to ensure any funding gap was addressed.
- The efficacy of business rates yield as a measure of growth.
- The timing of the changes was questioned by some members. The current proposals would be implemented in conjunction with the changes to the Welfare system, and it was queried whether

- there would be sufficient time to implement them effectively.
- Some members questioned whether further powers to raise additional local tax revenue might be considered in the future.

Members commended the work done by Stephen Jones and the finance team.

Decision

The Executive:

- ***Authorised the Leadership Board to approve the full consultation response in line with the views expressed by the Executive.***

Action

Officers to action as directed by the Executive.

**Stephen
Jones**

2 Proposed new parliamentary constituencies – implications for local government

Joe Simpson, Principal Adviser, introduced this item, which summarised the key implications for local government from the Boundary Commission for England's proposed new Parliamentary constituency boundaries in England.

Decision

Following a short discussion, the Executive:

- ***Agreed that this work was not a priority for the LGA***

Action

No further action

3/4 Localising council tax reliefs and the council role in universal credit

Paul Raynes, Head of Programmes (Finance and Localism), introduced these two items for discussion together. Paul outlined the Government's current proposals for council tax reform in his introduction:

- Localisation of council tax reliefs is in principle a good localising idea and could make for a better council tax;

- However, localisation of council tax benefit with a 10% budget cut and very tight limits on councils' discretion, as proposed by the Government now, creates an almost insoluble problem;
- One solution would be to localise the benefit system wholesale: there is a range of strong arguments in favour of this – from giving clients a better service than Job Centre Plus does, to better job matching, to better joining up of all the services welfare claimants use - that goes well beyond simply making it easier to adapt to the council tax benefit cut;
- So – recognising that the Government's plans for the wider benefit system involve a commitment to introducing Universal Credit - we propose to Government that it:
 - (i) considers very carefully what further flexibility it might give councils within the system of council tax relief, looking in particular beyond the means-tested reliefs to other reliefs that possibly benefit those more able to pay council tax;
 - (ii) within the overall Universal Credit framework, if that's a given, ensures that councils lead the delivery of a locally-tailored and joined-up offer of face-to-face contact and support for claimants that will enable us to take out bigger administration savings and increase the likelihood of people getting off welfare and into work.

During the discussion members made a number of comments including:

- The Government's current proposals did not sufficiently localise the system or give adequate flexibility to local authorities.
- A joined-up and locally-tailored offer to claimants of face-to-face contact and support would enable local government to offer an efficient and effective service both to Government and claimants.
- Concern that the proposed monthly payments could lead to increased levels of debt, with particular concern at the possible adverse impact of the proposal to merge housing benefit into Universal Credit on the most vulnerable people.
- Concern that the most vulnerable people, including the poorest and the young, will be disproportionately affected by the current proposals.

Members were clear that the LGA should adopt a robust position and thanked Paul for his presentation.

Decision

The Executive agreed that the LGA should argue for:

1. *greater flexibility within the wider system of council tax relief,*

looking in particular beyond the means-tested reliefs to other reliefs that possibly benefit those more able to pay council tax

2. *a locally-commissioned face-to-face offer within the Universal Credit system.*

Actions

1. Officers to submit a consultation response in line with members' views on council tax reliefs
2. Members and officers to pursue opportunities to make the case for local delivery.

**Paul
Raynes**

5 Directly elected Police and Crime Commissioners

Cllr Mehboob Khan, Chair of the Safer and Stronger Communities Programme Board, introduced this item describing the work that had been undertaken by the Safer and Stronger Communities Programme Board to support the transition to police and crime commissioners. It was noted that the Board had achieved a stronger role for local government within the Police Reform and Social Responsibility Bill proposals. Councillor Khan added that the current proposals offered an opportunity to the LGA to provide direct support and advice to member councils on this issue.

Decision

The Executive:

- **Noted** *the programme of support for councils in preparing for the introduction of police and crime commissioners;*
- **Agreed** *that officers should continue to investigate the potential for the Group to host the national membership body for police and crime commissioners.*

Action

LGA officers to action.

**Helen
Murray**

6 LGA/LG Group – structure and name

John Ransford introduced this item, setting out the proposals to simplify governance arrangements and ensure a strong brand for the future. It was noted that the Governance review of member structures was ongoing.

Decision

The Executive:

- **Endorsed** the proposal to move to an integrated board structure with the LGA becoming the dominant front-facing brand for the LG Group and the LGID (IDeA) company becoming the trading/service delivery arm
- **Invited** the LGA Leadership Board to oversee the legal and operational changes associated with the integration.

Action

Officers to implement the changes

**Claire
Holloway**

7 Governance Review

Decision

The Executive:

- **Agreed** that the Councillors' Forum should be open to any councillor from an LGA member council to attend.

Action

LGA officers to action.

**Claire
Holloway**

8 Note of the LGA Leadership Board 12 October 2011

Members **agreed** the note of the last LGA Leadership Board meeting.

9 Note of last LGA Executive

Members **agreed** the note of the last LGA Executive meeting.

Appendix A

Attendance list

Position/ Role

Chairman
Vice-chairman
Vice-chairman
Vice-chairman
Vice-chairman
Deputy-chairman
Deputy-chairman
Deputy-chairman
Deputy-chairman

Councillor

Sir Merrick Cockell
Gary Porter
Marianne Overton
Gerald Vernon-Jackson
David Sparks OBE
Andrew Lewer
Robert Gordon DL
Sharon Taylor
Steve Reed

Authority

RB Kensington & Chelsea
South Holland DC
Lincolnshire CC
Portsmouth City
Dudley MBC
Derbyshire CC
Hertfordshire CC
Stevenage BC
Lambeth LB

Position/ Role

Members

Councillor

David Simmonds
David Parsons CBE
Paul Bettison
Peter Fleming
Mayor Sir Steve Bullock
Peter Box CBE
Mehboob Khan
Dave Wilcox OBE
David Rogers OBE
Chris White
Jill Shortland OBE
Peter Martin
Angus Campbell
Martin Hill OBE
Mayor Jules Pipe
Paul Watson
Robert Dutton OBE
Stephen Castle
Neil Clarke
Stephen Houghton CBE

Authority

Hillingdon LB
Leicestershire CC
Bracknell Forest Council
Sevenoaks DC
Lewisham LB
Wakefield Council
Kirklees Council
Derbyshire CC
East Sussex CC
Hertfordshire CC
Somerset CC
Essex CC
Dorset CC
Lincolnshire CC
Hackney LB
Sunderland City
Wrexham County Borough
Essex CC
Rushcliffe DC
Barnsley MBC

Position/ Role

Substitutes

Councillor

Paul Middlebrough
Sue Murphy
Gordon Keymer

Authority

Wychavon DC
Manchester City
Tandridge DC

Apologies

Robert Light
Mayor Dorothy Thornhill MBE

Kirklees Council
Watford BC



Philip Atkins
Roger Phillips
Paul Carter
Ian Greenwood
Sir Richard Leese CBE
Edward Lord OBE JP
Lord Peter Smith

Staffordshire CC
Herefordshire CC
Kent CC
Bradford MDC
Manchester City
Local Partnerships
LG Leadership