

LGA Executive

Agenda

Thursday 12 January 2012
2.15pm

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

To: Members of the LGA Executive
cc: Named officers for briefing purposes

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LGA Executive
12 January 2012

There will be a meeting of the LGA Executive at:

2.15pm on Thursday 12 January 2012 in the Westminster Suite (8th floor), 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

Carers' Allowance

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LGA Executive

Updated: 6.10.11

LGA Executive - Membership 2011/2012

Councillor	Authority	Position/ Role
Conservative		
Sir Merrick Cockell	RB Kensington & Chelsea	Chairman
Gary Porter	South Holland DC	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-chairman
Steve Reed	Lambeth LB	Deputy-chairman
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-chairman
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	Vice-chairman/Group Leader
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	(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 LGA Executive

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

LGA 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	Yes	Yes	Yes						
Gary Porter	Yes	Yes	Yes	Yes						
Robert Light	Yes	No	Yes	Yes						
Andrew Lewer	Yes	Yes	No	Yes						
Robert Gordon DL	Yes	Yes	Yes	No						
David Simmonds	Yes	Yes	No	Yes						
David Parsons CBE	Yes	Yes	Yes	Yes						
Paul Bettison	Yes	Yes	Yes	Yes						
Peter Fleming	Yes	Yes	Yes	Yes						
Labour Group										
David Sparks OBE	No	Yes	Yes	Yes						
Sharon Taylor	Yes	Yes	Yes	No						
Steve Reed	Yes	Yes	Yes	Yes						
Mayor Sir Steve Bullock	Yes	Yes	Yes	Yes						
Peter Box CBE	Yes	Yes	Yes	No						
Mehboob Khan	Yes	Yes	Yes	Yes						
David Wilcox OBE	Yes	Yes	No	Yes						
Lib Dem Group										
Gerald Vernon-Jackson	Yes	Yes	Yes	Yes						
Mayor Dorothy Thornhill MBE	Yes	No	Yes	Yes						
David Rogers OBE	Yes	Yes	Yes	Yes						
Chris White	Yes	Yes	Yes	No						
Jill Shortland OBE	Yes	Yes	Yes	Yes						
Independent										
Marianne Overton	Yes	Yes	Yes	Yes						
Regional Representatives										
Peter Martin	No	Yes	Yes	Yes						
Paul Carter	Yes	No	Yes	No						
Angus Campbell	Yes	Yes	No	Yes						
Philip Atkins	Yes	No	No	No						
Martin Hill OBE	Yes	Yes	Yes	Yes						

Agenda

LGA Executive

Thursday 12 January 2012

2.15pm

The Westminster Suite, 8th Floor, Local Government House

	Item	Page	Time
1.	The Barnett Formula	3	2.15pm
2.	Public Health in Local Government: update on the implications of the Health and Social Care Bill	15	2.40pm
3.	Troubled Families	27	3.00pm
4.	Local Authority Bonds	33	3.20pm
5.	Regional Report – LG Yorkshire and Humber, Cllr Peter Box CBE – tabled		3.35pm
6.	LGA Vision and Priorities: Draft Business Plan 2012/13	53	3.45pm
7.	Review of Governance – roles of the Leadership Board, Executive and Programme Boards	71	3.55pm
8.	Independent Remuneration Panel: Review of Members' Allowances 2011	79	4.05pm
9.	Note of LGA Leadership Board - tabled		4.10pm
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Date of Next Meeting: Thursday 9 February 2012 - 2.15pm, Local Government House

The Barnett Formula

Purpose of report

For discussion.

Summary

This paper responds to the Executive's request for an analysis of how the Barnett Funding Formula works.

It also exemplifies two alternative models for allocating funding between the nations of the United Kingdom.

Recommendation

Members are invited to consider the analysis in this report.

Action

Officers to take account of any comments and actions arising out of the discussion.

Contact officer: Paul Raynes
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E-mail: paul.raynes@local.gov.uk

The Barnett Formula

Background

1. The Executive has asked for a report on the Barnett Formula.
2. Figures to allow a proper comparison of public expenditure in the devolved administrations with England are, unsurprisingly, debatable. The most authoritative series, which is published by the Treasury, suggests that spending per head of population is about 20 per cent above the UK average in Scotland and Northern Ireland, about 10 per cent above in Wales, and about 3 per cent lower than the average in England.

Table 1: Identifiable Expenditure in the devolved nations¹

2010-11	England	Scotland	Wales	N. Ireland
Net identifiable expenditure on services per capita	£5,493	£6,872	£6,265	£6,821
Net identifiable on services per capita as % of UK average	97%	121%	110%	120%

3. The Barnett formula is the major factor in the way those figures evolve from one year to another. This report:
 - 3.1. explains how the Barnett formula works;
 - 3.2. explores the potential implications of changing the way that public spending is distributed between England and the devolved administrations in the context of the current Spending Review period.

How the Barnett formula works

4. The Barnett formula is a convention that has been used since 1978 to adjust the allocation of public expenditure to Scotland, Wales and Northern Ireland in relation to changes to public spending in England. Although the formula has no basis in statute, all successive administrations, including the current government, have used it to allocate spending to the devolved administrations².

¹ Sources: HM Treasury, *Public Expenditure Statistical Analyses 2011*.

² Full details of the formula and how it works are published by the Treasury in *Funding the Scottish Parliament, National Assembly for Wales, and Northern Ireland assembly: Statement of Funding Policy*: http://cdn.hm-treasury.gov.uk/sr2010_fundingpolicy.pdf

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5. The Barnett mechanism is this. Scotland, Wales and Northern Ireland each has a “Block” of funding that is mapped onto English programmes. The devolved Blocks receive a fixed percentage of any cash change in the related English spending – a “Barnett consequential” - automatically, without negotiation with the Treasury or any requirement to evidence need. The percentages are based on the different territories’ shares of total UK population.

Table 2: the Barnett formula comparability percentages

England	Scotland	Wales	Northern Ireland
100	10.03	5.79	3.45

6. The percentages apply to all changes to the relevant English spending lines, not just in the Spending Review. A recent example is the council tax freeze grant, where the application of the formula to the £675 million offered to English local authorities automatically resulted in Scotland – which already had a council tax freeze in place - being allocated an extra £67.5 million, Wales £38.9 million and Northern Ireland £22.6 million for 2012-13. The devolved administrations can spend their consequentials on whatever they choose: their spending priorities do not have to reflect England’s.
7. The Barnett Formula applies only to some types of expenditure: expenditure such as welfare payments and tax credits is outside the formula’s remit. Spending by Whitehall departments that is deemed to apply to the United Kingdom as a whole, rather than just England, also does not trigger a Barnett consequential.

How Barnett affects total spending in the different territories

8. The Barnett formula does not measure relative need and was never intended to be about fairness. Nor is it responsible for the higher levels of spending per head in the devolved administrations. These basic higher levels of spending are a historic legacy: what Barnett does is maintain them in a system that does not measure need. (In fact, at times when spending is growing, the formula has gradually brought the relative levels of spending per head a little closer together³.)
9. This section of the paper exemplifies for illustrative purposes two alternatives to the Barnett mechanism: equalising funding in each territory on a common per head basis; and one sample model of a needs-based allocation. This analysis has been produced with the help of Dr Peter Kenway who acted as the

³ This is because it is based on population: if Scotland or Wales only receive the same extra pound per head that England does in each extra year, their starting advantage in terms of pounds per head will gradually be eroded as a proportion of the total. But this is a very slow process: it has taken over thirty years of the operation of this Barnett convergence effect to produce the figures in paragraph 2 above.

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independent specialist adviser to the House of Lords Select Committee on Barnett.

10. Table 3 below shows the impact of equalising spending per head in the devolved administrations at the current UK average per head. On such a model, aggregate spending across the three devolved countries would be £7.8 billion lower in 2011-12.

Table 3⁴: equalising spending in the devolved nations at the current UK average

2011-12	Scotland	Wales	N Ireland
Total DEL	£27.4bn	£14.6bn	£10.4bn
Net identifiable expenditure per capita 2010-11 (% of UK)	121%	110%	120%
Impact of reducing spending to UK average	-£4.8bn	-£1.3bn	-£1.7bn

11. This equalisation approach would, however, be entirely at odds with the way most public spending on education, the NHS and local government – the vast bulk of the spending concerned – is allocated in England. In the absence of the Barnett formula, it would almost certainly be necessary to allocate spending to the devolved administrations on the basis of measured need.

The needs issue

12. Relative need between the territories has been studied. For example, the 2009 Lords Select Committee analysed relative need in the countries of the union and recommended a shift to a needs-based distribution system. The argument for needs-based funding was also conceded in 2009 by the Calman Commission on the future funding of the Scottish government, and a needs-based formula was recommended by the 2010 Holtham Commission on Welsh funding.
13. The Holtham estimates suggested needs-based spending levels should be £105, £115 and £121 for Scotland, Wales and Northern Ireland for every £100 in England. These relativities were broadly in line with the House of Lords conclusion, although that report did not publish estimates of needs. Clearly if Barnett were to be replaced, the debate about an assessment of need would be critical.

⁴ HM Treasury, *Public Expenditure Statistical Analyses 2011*.

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14. If the needs-based formula recommended by the 2010 Holtham Commission in Wales were to be applied to the distribution of public spending in 2011-12, there would be a net reduction on expenditure across the three devolved nations of £2.6 billion (made up of a £3.6 billion reduction on the Scottish block and an increase in the Welsh block).
15. The House of Lords Select Committee on Barnett recommended that any shift to a needs-based funding model should be phased in over five years.

Table 4⁵: needs based analysis using Holtham index

2011-12	Scotland	Wales	N Ireland
Holtham needs index	105	115	121
Impact of equalising spending to Holtham needs index	-£3.6bn	+£1.0bn	0

16. More detailed versions of tables 1, 3 and 4 are included at **Appendix A**.

Financial Implications

17. The analysis in this paper has been undertaken within the LGA's existing programme resources.

⁵ Source: HM Treasury, *Public Expenditure Statistical Analyses 2011*

Table 1: Identifiable Expenditure in the devolved nations⁶

2010-11	England	Scotland	Wales	N. Ireland
1. Total identifiable expenditure on services	£448bn	£53.2bn	£29.6bn	£19.3bn
2. less social security and tax credits	£162bn	£17.4bn	£10.7bn	£7.0bn
3. Net identifiable expenditure on services (1) – (2)	£287bn	£35.8bn	£18.9bn	£12.3bn
4. Total Departmental Expenditure Limits		£28.5bn	£15.1bn	£10.8bn
5. Net identifiable (3) as % of total DEL (4)		126%	125%	113%
6. Net identifiable expenditure on services (3) per capita	£5,493	£6,872	£6,265	£6,821
7. Net identifiable on services per capita as % of UK	97%	121%	110%	120%

⁶ Sources: HM Treasury, *Public Expenditure Statistical Analyses 2011*.

Table 3⁷: equalising spending in the devolved nations at the current UK average

2011-12	Scotland	Wales	N Ireland
1. Total resource DEL less depreciation	£24.8bn	£13.4bn	£9.5bn
2. Capital DEL	£2.5bn	£1.3bn	£0.9bn
3. Total DEL (1+2)	£27.4bn	£14.6bn	£10.4bn
4. Net identifiable expenditure per capita 2010-11 (% of UK)	121%	110%	120%
5. Impact of reducing spending to UK average	-£4.8bn	-£1.3bn	-£1.7bn
6. Local government current and capital finance in DEL	£9.3bn	£5.7bn	£0.1bn
7. Local government as % of total DEL (6/3)	34%	39%	1%
8. Impact on Local Government spend (7*5)	-£1.6bn	-£0.5bn	
9. Non-education local government spend as proportion of total local government spend (2010-11)	65%	66%	
10. Impact on non-education local government spend (9*8)	-£1.1bn	-£0.3bn	

⁷ Source: HM Treasury, *Public Expenditure Statistical Analyses 2011*.

Table 4⁸: needs based analysis using Holtham index

2011-12	Scotland	Wales	N Ireland
1. Total resource DEL less depreciation	£24.8bn	£13.4bn	£9.5bn
2. Capital DEL	£2.5bn	£1.3bn	£0.9bn
3. Total DEL (1+2)	£27.4bn	£14.6bn	£10.4bn
4. Net identifiable expenditure per capita 2010-11 (% of UK)	121%	110%	120%
5. Impact of reducing spending to UK average	-£4.8bn	-£1.3bn	-£1.7bn
6. Holtham needs index	105	115	121
7. Impact of reducing spending to Holtham needs	-£3.6	+£1.0	0
8. Local government as % of total DEL	34%	39%	1%
9. Impact on Local Government spend	-£1.2bn	£0.4bn	
10. Non-education local government spend as proportion of total local government spend (2010-11)	65%	66%	

⁸ Source: HM Treasury, *Public Expenditure Statistical Analyses 2011*.

Public Health in Local Government: update on the implications of the Health and Social Care Bill

Purpose of report

To inform the LGA Executive of progress with shaping the role of public health in local government and of LGA activity on the transition to councils by April 2013.

Summary

This report summarises the latest announcements from the Department of Health (DH) and sets out current and planned LGA activity relating to public health.

Recommendations

The LGA Executive is asked to confirm that the LGA's position, as set out in this report, reflects the priorities of councils and endorse the current and proposed LGA activity on public health.

Action

LGA officers to action as necessary.

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Position: Senior Adviser (Health Transformation)
Phone no: 020 7664 30230
E-mail: alyson.morley@local.gov.uk

Public Health and Local Government: update on progress of the health reforms

Background

1. The LGA Executive last discussed the health reforms on 15 September 2011. The discussion focused on a number of concerns: the power, freedoms and flexibilities of health and wellbeing boards (HWBs) to exert real influence over commissioning plans, for local determination of the number of elected members on HWBs and the vital role of district councils in public health and health improvement.
2. Since then, there has been some progress on public health reform under the following broad themes:
 - 2.1. workforce
 - 2.2. funding
 - 2.3. key components of Government policy and operating framework for public health
 - 2.4. LGA current and planned activity on public health.
3. A further set of updates were published by the Department of Health (DH) on 20 December 2011. The summary is attached as **Appendix A** to this report. These covered Public Health England's (PHE) Operating Model and a series of factsheets on public health in local government including functions, the role of directors of public health, commissioning responsibilities, and how public health advice will be given to NHS commissioners.
4. Subject to the passage of the Bill, the statutory changes will take effect in April 2013. The key milestones proposed are:
 - 4.1. Completion of transition plans for transfer by March 2012.
 - 4.2. PHE Chief Executive appointed April 2012.
 - 4.3. PHE structure agreed May 2012.
 - 4.4. Pre-appointment process in local government completed October 2012.
 - 4.5. Formal transfer of statutory responsibilities 1 April 2013.

Public health workforce

Progress on transfer of public health staff

5. A Concordat with NHS and local government employers on the transition of public health staff between the NHS and local authorities was published in October 2011. It outlines the high-level principles underpinning staff transfer.

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This will be followed by more detailed transition guidance to local authorities in January 2012.

6. The LGA Workforce Team has been closely involved in discussions aimed at making the transfer of up to 5000 staff from primary care trusts to local authorities as straightforward as possible. The guiding principle throughout has been to ensure that the main decisions will always be made locally, whilst ensuring that the options available are fair and clear for staff. The overall principles behind the transfer – based on the assumption that it will happen on a TUPE or TUPE-like basis were set out in the Concordat.
7. Building on the concordat, the LGA team has been working with a contact group of chief executives and HR specialists to lead discussions with the local government and health trade unions. These discussions have focused on preparing a Local Government Transition Guidance (LGTG) document for HR directors and their teams in councils who will be responsible for managing the transfer. The discussions are detailed and on-going but quite positive. The unions have accepted that the main processes will be handled locally.
8. The LGTG will set out the main options available to councils in managing events from now on, including how best to bring groups of staff into closer working with councils during the transition year 2012-13 in advance of the formal date for transfer in April 2013. The guidance also covers good practice in consultation procedures and will include a strong recommendation that councils and PCTs should set up local joint working parties on workforce matters as soon as possible. There will also be a discussion of options to deal with terms and conditions after the transfer, which is quite sensitive for LA employers, staff and unions.
9. Steps are being taken to ensure that the LGTG publication is properly aligned with other material published by DH, including the guidance to PCTs on how they can best handle transfer processes.
10. Discussions are also ongoing about the best options for dealing with pensions and around ensuring that should any staff be at risk of redundancy, the DH will be responsible for funding severance packages.

Directors of public health

11. Work has also been on-going on the special considerations around the appointment of Directors of Public Health (DsPH), which will be a joint process with PHE in future. Strong representations about the need for local flexibility have been made by the Chairman and Chief Executive of the LGA and these have resulted in agreement on the text of a joint advisory letter from LGA and DH. The letter emphasises local discretion.

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12. The recent update confirms the function and scope of the role and that further guidance will be developed with local government and public health stakeholders on appointment processes. After Royal Assent statutory guidance will be issued, similar to that for directors of children's services and adult services. It confirms that DsPH should have direct accountability to chief executives and councillors and that posts can be shared with another council where it makes sense.

Public health funding

13. The transfer of public health functions to local government will be funded by a ring-fenced grant. To maximise flexibility, the conditions will be minimal: to ensure it is spent on the public health functions for which it has been given and ensuring a transparent accounting process. A policy document on funding which will outline the overall public health budget and the distribution between the NHS Commissioning Board, PHE and local authorities was expected by December 2011 but is now postponed further to February 2012. We are also still waiting for details for the allocation formula to local authorities and the details of the Health Premium.
14. Cllr David Rogers OBE raised a number of concerns regarding the public health grant in a meeting with the Public Health Minister Anne Milton on 7 December. The sector supports the transfer of public health to local government but we continue to be concerned at the lack of clarity regarding the overall level and distribution formula for the public health grant. The Minister acknowledged that funding for public health should be based on health need and the level of health inequalities rather than on historical spending on public health by PCTs. She undertook to direct DH finance officers and the Advisory Committee on Resource Allocation to work with local government finance officers to determine a reliable base line figure and to develop a robust and equitable allocation formula for the public health grant.

LGA current and planned activity on public health

15. LGA officers have made considerable progress with key stakeholders to ensure that local government is fully involved in preparations for the transition of public health. The key elements of our recent and planned activity are outlined below.
16. **Joint statement on public health in England** – Key members of the LGA's GP and Public Health Stakeholder Group, chaired by Cllr David Rogers OBE, published a joint statement on the future of public health on 20 October 2011. It set out our joint position on the role of local government in public health.
17. **Preparedness toolkit** – the LGA and DH have commissioned the production of a public health preparedness toolkit to assist local authorities in preparing to

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take the lead on public health. A final draft of the toolkit will be available in January 2012.

18. **National events** – the LGA and DH are planning a transition event on 24 January 2012 with representatives of key stakeholders to ensure that all of the strands of health reform agenda, including public health, are aligned at both national and local level and that there is an agreed time frame to put arrangements in place.
19. **National conference** – the LGA is organising the first Annual LGA Public Health Conference in preparation for local government's lead role in public health. Called *Political and Managerial Leadership of Public Health*, it will feature a range of key figures in public health and local government, including Andrew Lansley, the Secretary of State for Health, and will take place on 28 February 2012. It is being supported by the Association of Directors of Public Health, the Association of Directors of Adult Social Services, the Chartered Institute of Environmental Health and the NHS Confederation.
20. **Local Government Health Transition Task Group** – the Task Group, chaired by Geoff Alltimes, Chief Executive of LB Hammersmith and Fulham, includes Chief Executive representatives from all parts of England, ADASS, ADCS and DH. Its purpose is to achieve a better collective understanding of the health transformation plans that local government is involved in at a national level with DH so that we can more accurately and effectively reflect the views and concerns of the local government sector.
21. The Task Group also acts as an informal advisory group to the LGA and the DH and links into regional and sub-regional transition activity to ensure that local government is fully involved and prepared for the health reforms. The Group has been instrumental in representing the interests and concerns of local government on public health issues.
22. **GP and Public Health Stakeholder Group** – As well as issuing a joint statement on our agreed view of local government's role in public health in October, the Group, which comprises representatives of all the key national stakeholders in General Practice and public health, will meet again in February to discuss progress on health reforms and the scope for further joint activity.

Financial implications

23. Potentially, the public health transfer to local government will have significant financial implications for local government. The Government has given a commitment to honour the new burden's doctrine which states that all new responsibilities for local government will be cost neutral. However, we do not yet have details of the public health grant to local authorities and until we have clarity on this, the transfer of the public workforce and the detail of the public

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health responsibilities for local government intended to be specified in statutory regulation, it is difficult to identify with any precision the financial implications to local authorities.

24. This, and the costs and liabilities associated with the staff transfer from PCTs and new commissioning roles, remain issues that require close and continued scrutiny by the LGA and our financial advisers.

The new public health system: summary



What we are trying to achieve

We face significant challenges to the public's health and wellbeing. Rising levels of obesity, misuse of drugs and alcohol, high levels of sexually transmitted infections and continuing threats from infectious disease have a heavy cost in health, life expectancy and a large economic burden through costs to the NHS and lost productivity. Improving public health and wellbeing and developing sustainable services will be a key contribution to meeting the challenges to the public finances.

The Government has an ambitious programme to improve public health through strengthening local action, supporting self-esteem and behavioural changes, promoting healthy choices and changing the environment to support healthier lives. This document provides an overview of these changes and links to more detailed material to support implementation of the reforms.

In summary the reforms will see:

- local authorities taking the lead for improving health and coordinating local efforts to protect the public's health and wellbeing, and ensuring health services effectively promote population health. Local political leadership will be central to making this work
- a new executive agency, Public Health England will:
 - deliver services (health protection, public

health information and intelligence, and services for the public through social marketing and behavioural insight activities)

- lead for public health (by encouraging transparency and accountability, building the evidence base, building relationships promoting public health)
- support the development of the specialist and wider public health workforce (appointing Directors of Public Health with local authorities, supporting excellence in public health practice and bringing together the wider range of public health professionals)
- the NHS will continue to play a full role in providing care, tackling inequalities and ensuring every clinical contact counts
- the Government's Chief Medical Officer will continue to provide independent advice to the Secretary of State for Health and the Government on the population's health
- within Government, the Department of Health will set the legal and policy framework, secure resources and make sure public health is central to the Government's priorities.

The focus will be on outcomes. A new Public Health Outcomes Framework will set out key indicators of public health from the wider determinants of health through to effectiveness in reducing premature mortality. Our overall goals will be to increase healthy life expectancy and reduce health inequalities.





The Public Health Outcomes Framework will be published in January 2012 and will be aligned with the NHS Outcomes Framework and the Adult Social Care Outcomes Framework.

Local responsibilities

Local authorities will have a new duty to promote the health of their population. They will also take on key functions in ensuring that robust plans are in place to protect the local population and in providing public health advice to NHS commissioners.

Through the health and wellbeing board they will lead the development of joint strategic needs assessments and joint health and wellbeing strategies, which will provide the means of integrating local commissioning strategies and ensuring a community-wide approach to promoting and protecting the public's health and wellbeing.

Giving local authorities this key role allows action to build on local knowledge and experience and aligns public health responsibility with many of the levers to tackle the wider determinants of health and health inequalities.

To enable them to deliver these new public health functions local authorities will employ Directors of Public Health, who will occupy key leadership positions within the local authority.

The appointment process will be run jointly with Public Health England (on behalf of the Secretary of State for Health) to ensure that the best possible people are appointed to these key positions. Many local authorities have already made joint Director of Public Health appointments, and others are

moving to take delegated responsibility for public health teams ahead of the statutory transfer of responsibility. We continue to encourage such action.

Real improvement will be secured by local authorities putting the public's health into their policies and decisions. However, they will also have responsibilities for commissioning specific public health services and will be supported with a ring-fenced public health grant.

While local authorities will be largely free to determine their own priorities and services, they will be required to provide a small number of mandatory services (sexual health services, NHS health checks, National Child Measurement Programme, providing public health advice to NHS Commissioners and ensuring plans are in place to protect the health of the public).

A ring-fenced public health grant will support local authorities in carrying out their new public health functions. We will make shadow allocations to local authorities for 2012/13 to help them prepare for taking on formal responsibility in 2013/14.

Shadow allocations for local authorities in 2012/13 will be published to support planning for the transition.

How does Public Health England fit in?

Public Health England will be created as a new integrated public health service. It will bring together the national health protection service and nationwide expertise across all three domains of public health. We are setting out the mission and values we expect Public Health England to deliver. Public Health England will be an advocate





for public health – its actions will be based on the highest professional and scientific standards and it will promote a culture of subsidiarity, focused on supporting local action, with national action only where it adds value.

Public Health England will have three key business functions:

1. It will deliver services to protect the public's health through a nationwide integrated health protection service, provide information and intelligence to support local public health services, and support the public in making healthier choices.
2. It will provide leadership to the public health delivery system, promoting transparency and accountability by publishing outcomes, building the evidence base, managing relationships with key partners, and supporting national and international policy and scientific development.
3. It will support the development of the public health workforce, jointly appointing local authority Directors of Public Health, supporting excellence in public health practice and providing a national voice for the profession.

Public Health England will bring together the wide range of public health specialists and bodies into one integrated public health service. Its organisational design will feature:

- a national office including national centres of expertise and hubs that work with the four sectors of the NHS commissioning board
- units that act in support of local authorities in their area
- a distributed network that allows Public Health England to benefit from locating its information and intelligence and quality assurance expertise alongside NHS and

academic partners across the country. Public Health England will be an executive agency of the Department of Health. It will have its own Chief Executive who will have operational independence.

Public Health England will have non-executive directors on its advisory board. The non-executives will support the Chief Executive in his/her role as accounting officer and provide an independent challenge. The Chief Medical Officer will provide independent advice to the Secretary of State for Health on the population's health and on the public health system as a whole, including Public Health England's role within it.

Public Health England's status will depend on its ability to provide high-quality, impartial, scientific and professional advice. To demonstrate its commitment to transparency and the highest professional standards, Public Health England will proactively publish its expert scientific and public health advice on relevant issues, and its advice to professionals and the public.

The NHS still has a role in public health

The NHS will continue to play a key role in improving and protecting the public's health. The provision of health services and ensuring fair access to those services will contribute to improving health and reducing inequalities.

The NHS will also continue to commission specific public health services and will seek to maximise the impact of the NHS in improving the health of the public, making every clinical contact count.

The NHS Future Forum is currently





considering how the NHS can contribute to improving the health of the public. Its interim findings have been published and are available.

The public health workforce

The success of the public health system will depend on harnessing the skills and energies of public health staff and on those staff building the effective relationships needed to make public health part of everyone's core business.

There is a diverse public health workforce, working for a wide range of employers. In managing the transition to the new system we need to ensure all staff are treated fairly and have access to the exciting opportunities to shape a 21st century public health service.

We are working closely with staff representatives and local government to ensure fair and transparent processes, and appropriate terms and conditions. We have published a Human Resources Concordat setting out key principles and will follow this with Local Government Transition Guidance and an initial People Transition Policy for Public Health England. The final People Transition Policy will follow formal agreement to the new terms and conditions.



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Maintaining a vibrant professional public health workforce into the future will underpin the success of the reforms. The workforce strategy will be key to this and will be subject to specific consultation from January 2012.

Making it happen

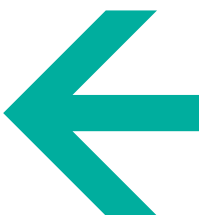
Subject to the passage of the Health and Social Care Bill, these statutory changes will take place from 1 April 2013. Yet there is much that can be done to implement the reforms through local agreement before April 2013. We encourage all partners to engage actively in delivering the new systems and new ways of working in 2012/13.

There are a number of key milestones for the transition including:

- completion of transition plans for transfer of public health to local authorities – March 2012
- Public Health England's Chief Executive appointed – April 2012
- Public Health England structure agreed – May 2012
- pre-appointment processes complete – October 2012
- formal transfers of statutory responsibilities – 1 April 2013.

We will continue to develop our plans for the public health system in collaboration with our stakeholders and details will be published accordingly.

Stay in contact with our progress in establishing the new system at <http://healthandcare.dh.gov.uk/category/public-health>



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Troubled Families

Purpose of report

For discussion and direction.

Summary

This paper describes the work the LGA has been undertaking to shape the way the public sector works to help troubled families, and sets out the current state of play between the government, the LGA and councils on the implementation of the Prime Minister's commitment to help troubled families.

Recommendation

That the Executive:

1. note the leadership councils are showing in addressing the troubled families issue and the results they have been achieving;
2. endorse the proposed LGA approach to supporting councils working on this issue in future, and to working with the government's new Troubled Families Unit.

Action

Officers to proceed in line with the Executive's direction.

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Troubled Families

Background

1. Work with troubled families has been rising up the agenda for councils and the government. Four-fifths of social services authorities are operating Family Intervention Programmes, while 28 councils also established community budgets for troubled families in the autumn of 2010 and a further 70-odd councils committed to run community budgets for troubled families from next financial year, following the invitation issued by the Deputy Prime Minister at last July's LGA conference. The Prime Minister made work with troubled families a priority in 2010.
2. In the wake of last summer's civil disorder, a consensus rapidly emerged that this emphasis on turning round the lives of troubled families was the correct response to an urgent social problem. Following an internal government review, the Prime Minister set up a new Troubled Families Unit, based in CLG, in November. It has been tasked with implementing a commitment to turn around the lives of the 120,000 most troubled families by 2015. The Unit will work with councils, and its Director-General, Louise Casey, has written – echoing language used earlier by the LGA Chairman - that the new unit will “maintain and wherever possible build upon the momentum already gained¹”.
3. In December, it was announced that the new Unit will have a £448 million budget over the next three years, put together with contributions from six Whitehall departments². This money will be spent in three main ways:
 - 3.1. paying - at £100,000 a year – for councils to employ new “coordinators” or “troubleshooters” in each area to lead troubled families work;
 - 3.2. funding councils at the rate of £20,000 between now and the start of the next financial year to undertake preparatory work, identifying the troubled families in their areas and making action plans;
 - 3.3. paying 40% of the estimated cost of intervention with the troubled families in each area, the majority of this money to be paid as results payments in return for outcomes delivered.
4. Councils which wish to participate in this programme will be expected by the end of March this year to:
 - 4.1. employ a “troubleshooter”/“coordinator”;

¹ Letter to council chief executives of 17 November.

² CLG, Home Office, DfE, Ministry of Justice, DWP and DH.

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- 4.2. individually identify all the troubled families in their areas they intend to work with;
 - 4.3. draw up a plan for bringing service together around the families;
 - 4.4. mobilise the estimated 60% of the funding needed from their own and local partners' resources.
5. Councils have been sent the national Unit's estimate of the number of troubled families in their area for them to compare with their own, as well as figures for their allocations of funding for hiring coordinators and doing preparatory work in the current financial year. Details of how the bulk of the central funding will be distributed are yet to be worked up and announced, although the outcomes which the government is willing to fund are likely to include reductions in crime and truancy, and increases in employment, among family members.

Councils and the new national initiative

6. There is no doubt that the Prime Minister's initiative, with its new central Unit, represents a return to a centralised delivery model – the government's preferred word is "implementation" - that is an exception from the government's overall approach to localism. That said, the vast majority of councils were committed to work helping troubled families in any case and making good progress. The social, political and economic case for investing in preventive action to reduce the costs of troubled families to the taxpayer is extremely strong and commands widespread support among councils.
7. The challenge for the sector is to ensure that the "momentum already gained" is not lost while the government's unit develops its operating model, and that we quickly evolve a way of working with the Unit that does not replicate the flaws of some past central initiatives.
8. LGA elected members and officers have held very positive meetings with the Director-General and other staff of the new unit. It is common ground that councils should play the lead role in bringing services together locally, and that the Troubled Families Unit has a crucial role to play in encouraging Whitehall and its agencies to work with the grain of that. The unit has so far shown no appetite to impose solutions or operating models on councils, and we can expect to build on the models councils have been developing locally with partners through community budgets and family intervention programmes. We will continue to pursue conversations with the CLG unit about exactly how the proposed payment-by-results funding should operate.
9. Louise Casey will be making a presentation at the Councillors' Forum which precedes this Executive meeting.

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LGA support for councils

10. The LGA has been supporting the 100 councils which were operating or planning to operate community budgets for troubled families, convening learning events and providing online resources. Through the work of Baroness Hanham's group, LGA members and officers also helped to develop resources for councils working with troubled families on issues such as data sharing with other public sector bodies (work led by Greater Manchester, Leicestershire and Bradford), developing common assessment frameworks (work led by Essex) and developing the financial analysis needed to support investment in prevention (work led by Manchester and Birmingham). This material is available on the LGA website. We have also worked with DWP and London Councils to ensure that local authorities have the maximum influence over the European Social Fund money that is being directed to work with troubled families, and have arranged for regional events to evaluate the process of commissioning that provision.
11. We recommend to the Executive that we should continue supporting councils working on troubled families in the new policy setting. This support will include continuing facilitating a learning network but we will also review our wider support offer for work with families and children with the aim of ensuring resources can be made available to councils that need and want it.
12. Political leadership, both locally and nationally, will be crucial to the success of this programme and we recommend that the LGA seeks to develop arrangements for regular communication with Ministers on this issue.

Local Authority Bonds

Purpose of report

For Decision.

Summary

In March 2011 the LGA Executive established a Task and Finish Group. The aim was to determine whether the local authority sector could establish a collective agency that could raise funds efficiently and on-lend them at lower cost than the PWLB. This paper reports on the work done by the Task and Finish and proposes that plans for a collective agency should be further developed.

Recommendation

1. To authorise the Task and Finish Group to publish the outline business case for the development of a collective agency, on behalf of the LGA.
2. To extend the remit of the Task and Finish Group to oversee work on the pre-implementation stage of the project, reporting back in 6 months' time. This work will include undertaking detailed testing of this proposal with Local Authorities (including seeking their commitment to financial support for implementation), Government and other agencies and the finance sector; and the commissioning of preparatory work in order to put an implementation team in place.
3. To authorise the LGA to contribute up to a further £150,000 in the 2011-12 financial year to support this preparatory work with any further contributions in 2012-13 considered as part of that year's budget review.

Action

Director of Finance and Resources

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Local Authority Bonds

Background

1. On 20 October 2010 the Government announced that the Public Works Loans Board's (PWLB) interest rates for loans to local authorities would be increased from 0.2% to 1% above the gilts market rates. This significantly increased the interest cost on loans borrowed by local authorities.
2. Whilst some larger authorities may now find it cost effective to raise their own bonds as an alternative to borrowing from the PWLB, this option is not likely to be cost effective for most authorities, because bond issues are typically over £150 million in size; and the absence of an alternative source of lending leaves local authorities vulnerable to further changes in the PWLB's terms of trade.
3. In March 2011 the LG Executive therefore established a Task and Finish Group. The aim was to determine whether the local authority sector could establish a collective agency that could raise funds efficiently and on-lend them at lower cost than the PWLB.

Approach and conclusions of the Task and Finish Group

4. The Task and Finish Group approached its work by testing whether a viable business case for an alternative to the PWLB arrangements existed. The outline business case has been completed, informed by advice from HSBC, city legal firm Clifford Chance LLP and professional services firm Ernst and Young.
5. Three main approaches were considered of which the preferred option is for an agency that:
 - 5.1 Is owned by the sector and sufficiently capitalised to ensure an AAA/Aaa credit rating (and thus ensure the lowest possible cost of funds).
 - 5.2 Raises funds from capital markets at regular intervals and on-lends them to participating authorities.
6. Such an agency should also help create a liquid market for local authority bonds. This should benefit those councils that decide they want to issue their own bonds.

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Benefits and costs of a collective agency

7. After accounting for its own running costs such an agency should, in stable bond market conditions, be able to raise funds in the bond market at around 0.5% above the long-term gilt rate and on-lend to participating authorities at an interest rate of between 0.7% to 0.8% above the gilt yield.
8. This would mean an individual authority borrowing £100 million for 20 years would secure £4.7 million of savings in interest payments (undiscounted) over the life of the loan compared to the current PWLB rate.
9. To establish the agency would cost approximately £2.5 million and would take around two years.
10. It is estimated the agency would cost between £2 million to £4 million a year to operate, depending on the complexity of its operations.
11. In the longer-term the agency would need to secure a 25% market share of local authority borrowing in order to be competitive.
12. The agency is expected to have a AAA/Aaa credit rating. The proposed agency does not rely on cross-guarantees (which are not likely to be legal at present) but is underpinned by the strong credit of its local authority borrowers and supported by additional credit support in the form of a debt service liquidity facility and subordinated debt.
13. An LGA survey in September 2011 of 60 Finance Directors who were asked about the concept of a collective agency in an outline paper found 97% “in principle” support for a collective agency.

Recommendation, next steps and financial implications

14. Taking into account the likely benefits of a collective borrowing agency, the Task and Finish Group considers that further work should now be done to develop the proposal. This will involve some significant costs in commissioning preparatory work, and further testing of the extent of local authority and other support, including in particular whether local authorities are prepared to make an initial financial commitment to the agency. The Task and Finish Group therefore seeks the Executive’s approval to carry out this further work over the next 6 months and report back. A budget of a further £150,000 for the current financial year is sought (which can be funded from underspends elsewhere). As part of the testing of the proposal, the Task and Finish Group requests authority to publish the Outline Business Case.
15. The Task and Finish Group’s detailed report is appended. The Outline Business Case is being sent to members of the Executive confidentially, under separate cover.

Local Authority Bonds - Detailed report

Background

1. On 20 October 2010 the Government announced that PWLB rates would be increased to 1% above the corresponding gilt rate.
2. As a result in March 2011 the LGA Executive established a Task and Finish Group chaired by Cllr Edward Lord OBE JP. The group includes representatives of the four political parties and a representative from the Welsh LGA. The Convention of Scottish Local Authorities (COSLA) has been kept informed of developments. Officers from the LGA and Local Partnerships provide support to the group.
3. The aim of the Task and Finish Group was to determine whether the sector could establish a collective agency that could raise funds efficiently and on-lend them to participating authorities at lower cost than the PWLB.
4. The group concluded that to deliver robust conclusions:
 - 4.1. Independent, specialist, professional advice would be needed; and
 - 4.2. The outline business case should be structured following the Treasury "Five Case" model.
5. The LGA established a budget for independent advice. A competitive procurement followed and resulted in HSBC/Ernst and Young being appointed as banking and financial advisor and Clifford Chance LLP being appointed as legal advisor.
6. The public sector accountancy body (CIPFA) established a technical group to support this work, and act as a professional sounding board. That group included leading local government capital and treasury practitioners.
7. Officers have discussed emerging thinking with a range of banks and other institutions across government as the work has developed.

Context - Importance of infrastructure spending

8. Infrastructure spending supports this country's long-term economic growth. Capital spending is also part of the way local authorities achieve efficiency savings. The LGA analysed the benefits of capital spending in its report: "Funding and planning for Infrastructure" (2010) and concluded that capital

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spending creates substantial local economic benefits. The main conclusions of that report were:

- 8.1. Every £1 spent on construction leads to an increase in UK GDP of £2.84;
 - 8.2. Every £1 spent generates a 56 pence return to the exchequer through tax revenue and benefit savings; and
 - 8.3. Each £1 million allocated to road maintenance creates or safeguards ten to fifteen jobs and adds £500,000 to the local supply chain.
9. Capital spending on infrastructure is often financed by borrowing. That can only proceed if the borrowing is prudent and affordable. Taking steps to reduce the cost of borrowing is therefore in the interests of councils and the local economies they support.

Context - Strong locally led governance over borrowing

10. Local authority capital spending is regulated through a combination of statute and rules set by the finance profession. Long-term borrowing is only permitted for capital purposes.
11. The law relating to capital finance in England and Wales flows from the Local Government Act 2003. This act established a system where local authorities must take a long term view about how much money they can afford to borrow. The Local Government Act 2003 is supplemented by statutory instruments issued by Department for Communities and Local Government and guidance documents issued by CIPFA.
12. Capital spending is overseen by each local authority's Chief Financial Officer. HM Treasury retains powers to intervene if it judges that a local authority is acting imprudently or if national economic conditions warrant a reduction in total borrowing.
13. Nothing in the outline business case seeks to change these arrangements. The proposals in this report do not facilitate any additional borrowing over what is already permitted within the capital regulatory system. The aim is simply to deliver borrowing at lower costs to local authorities and generate savings for local authorities and, therefore, for council tax payers.
14. The existing arrangements with the HM Treasury retaining ultimate regulatory control over borrowing are to be maintained.
15. The aim is for local authorities to have access to diverse sources of funding. The PWLB should remain as a highly flexible source of funding, and it will be

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important that the proposed collective agency works closely with the Debt Management Office to ensure both agencies secure the best rates for their borrowing.

16. Local authorities with larger borrowing requirements may elect to issue their own bonds and local authorities can still access finance via banks - particularly for shorter-term financing needs. It should be noted however that the collective agency will be capable of servicing both large and short-term funding requests and may provide cost savings when compared to individual local authority issues (due in part to lower overall transaction costs and larger issuance sizes).

Work undertaken

17. The work to develop the outline business case comprised:
 - 17.1. A review of collective arrangements operating and under development in other countries.
 - 17.2. Informal discussions with a range of UK and other agencies with experience of this area.
 - 17.3. A consultation exercise to determine the level of local authority interest in a possible collective arrangement.
 - 17.4. An evaluation of potential options, leading to a shortlist of three main options, which were subject to an in-depth review by external advisors.
 - 17.5. A review of the legislation and the powers of local authorities to develop a collective agency.
 - 17.6. Financial modelling of the costs of operating a collective arrangement.
 - 17.7. A review of the likely credit rating of the collective agency.
 - 17.8. An outline structure of the proposed agency and a high level description of governance arrangements.
18. Having completed this work our advisors have been able to estimate the indicative all in cost of borrowing through this collective agency.

Option appraisal

19. The potential collective arrangement was considered against a series of "critical success factors". These comprised:

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- 19.1. That the likely cost of borrowing (including the running costs of a collective agency) should be significantly less than is currently available.
- 19.2. That the arrangement should either be legally deliverable, or the route for securing powers should be reasonably clear.
- 19.3. That the arrangement should be accessible to large and small local authorities.
- 19.4. That funding should be (so far as is possible) predictable and no more susceptible to adverse impact from external factors than the PWLB.
- 19.5. That the agency should be capable of being established within a reasonable time and cost.
20. Other wider factors were considered when looking at options. Local authorities should find it straightforward to access funds when they need them and all governance arrangements should be transparent.
21. Finally it was noted that the arrangements should encourage local authorities to adopt best practice in their financial management. It was assumed from the outset that the collective agency would not receive an explicit government guarantee.

Options considered

22. Three main options were considered in detail:
 - 22.1. A collective agency, regularly raising money from bond markets and on-lending to participating authorities on demand from them. The agency would be rated based in part on cross-guarantees from participating authorities.
 - 22.2. A collective agency operating in the same way as the first option except that instead of relying upon cross-guarantees the agency would obtain credit support in the form of risk capital from participating authorities or third party investors.
 - 22.3. A simpler joint agency that would coordinate bond issuance by participating authorities.
23. A final reference option, of doing nothing, was kept under review.

A cross-guarantee model

24. The first option - of a collective agency gaining its strength from a system of cross-guarantees - is similar to the one that already operates in Finland. The benefit of this approach is that the agency operates without an explicit government guarantee. The agency gains a AAA/Aaa rating from the combined financial strength represented by cross-guarantees of participating authorities.
25. However the legal position of English and Welsh local authorities does not support this approach. Our legal advisors (Clifford Chance) have reviewed this area and conclude:
 - 25.1. The general power of competence, though widely drawn, is not specific on the question of the provision of cross-guarantees and therefore may be subject to interpretation in the courts.
 - 25.2. Existing case law regarding local authority guarantees of loans, where such guarantees were held to be ultra vires, may make it difficult for investors to be comfortable with the legal risks associated with a finance structure which relies on local authorities cross-guaranteeing their respective financial obligations.
26. Clifford Chance advise that the clearest method of providing local authorities with the power to grant cross-guarantees would be by way of primary legislation. Such legislation could also set out the powers and responsibilities of the collective agency. This is the approach recently adopted in New Zealand.
27. Securing such legislation would require support in Parliament, which would add to the uncertainty about delivery and significantly extend the time taken to establish the agency.
28. HSBC advises that if such an agency were to be established, in normal market conditions and assuming a AAA/Aaa ratings outcome, it may be able to raise funds in the bond market around 0.5% above the long-term gilt rate and on-lend them at around 0.7% to 0.8% above the gilt rate.

A credit enhanced model without cross-guarantees

29. This second option is similar to the Finnish example in operation, but instead of relying on cross-guarantees would require participating authorities or other third parties to provide risk capital to the collective agency. This risk capital would provide the credit enhancement to bonds issued by the collective agency by absorbing any losses caused by individual participating authorities failing to meet their obligations in respect of funds lent by the collective agency.

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30. Clifford Chance advises that this arrangement appears to be within the existing powers of local authorities. Equity investments or other risk capital would be treated as capital expenditure by the local authorities. Local authorities would therefore need appropriate internal approvals in order to invest funds in such risk capital.
31. Surpluses generated by the spread between the cost of the debt raised by the collective agency and the debt service received from participating authorities would allow a return on the risk capital provided by participating authorities.
32. Appropriately capitalised and subject to various non-financial parameters (such as clarity around how the agency interacts with/sits alongside the PWLB), such an agency may also secure a AAA/Aaa rating. As such, in normal market conditions it may be able to raise funds in the bond market around 0.5% above the long-term gilt rate and on-lend them at around 0.7% to 0.8% above the gilt rate.
33. If there were wider support within the sector, it is considered that such an agency could be established within two years.

A “pass through issuer “model

34. A third option was considered. This would be an agency similar in operation to The Housing Finance Corporation (THFC). The agency would bring together local authorities that were seeking somewhat smaller sums and package their requirements into a larger, single bond offering.
35. The agency would act in response to demand, and so would not have a regular presence on the bond market. The agency would not necessarily be rated, but the bonds issued would be rated. The rating would depend on the credit rating of the authorities participating in each issuance.
36. The agency could probably operate at a lower cost to the agencies contemplated in the first two models. The drawbacks are that borrowing costs are likely to be higher because the agency would:
 - 36.1. Be raising bonds at irregular periods and would therefore not build up a regular presence in the bond markets;
 - 36.2. Lack substantial capitalisation or cross-guarantees; and
 - 36.3. Be issuing bonds of varying credit quality - depending on the underlying ratings of the local authorities participating in each issue.
37. Local authorities seeking funds could have to wait for weeks or months as assembling bond offerings would take time.

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38. Such an arrangement could be established within existing local authorities' powers, but it is likely the agency would usually only be able to raise and on-lend funds at above the current PWLB rate - though there could be times when it could deliver specific bonds at below this rate.
39. This collective agency could be established within two years.

Do nothing

40. The final option is to not develop a collective agency at this time.
41. Local authorities would still have different main options for accessing capital. They could borrow from the PWLB at 1.0% above the long-term gilt rate. This remains an attractive interest rate - albeit not as attractive as the one offered in the past. The PWLB is currently a flexible option that currently provides funds at short notice and in comparatively small amounts. This option would still allow local authorities to develop a collective agency if PWLB rates were to increase in the future, or its lending arrangements were to significantly change.
42. Local authorities seeking over £150 million to £200 million could issue their own bonds. However, this would not be an "on demand" option, as a debut bond issue by a local authority (even where that authority has already secured a credit rating) would take some weeks/months to execute.
43. The price of those bonds would vary, in part depending on the credit rating of the local authority and how well the market for bonds develops. The cost of debt of those bonds is particularly difficult to assess, as it will depend on a wide range of factors, including the credit rating of the local authority and the view of the bond market of the individual local authority.
44. This individual approach relies on the local authorities that are issuing bonds to manage the process effectively, as the reputation of the sector (and price of bonds) relies on how the bond purchasers view the bond issuers.

Conclusion from option appraisal

45. The option of a collective agency without cross-guarantees, but securing a AAA/Aaa rating based on an enhanced capitalisation, most closely matches the critical success factors.

Consultation with local government

46. Over late summer 2011 the LGA circulated a consultation paper on this subject. This was sent to all Finance Directors in England together with a series of questions about the proposed arrangements. Copies of the survey were sent to

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associations in Wales and Scotland who consulted with their member authorities.

47. 60 responses were received¹. 97% of those responding were supportive of the principle of a collective arrangement, whilst 75% would in principle consider participating in a collective arrangement. Most of those reporting support but not proposing to join explained they did not envisage they would have borrowing needs in the foreseeable future.

How the proposed agency would operate

48. A key issue will be for the collective agency to secure a AAA/Aaa credit rating, because this affects reduces the price of bonds. There are three credit rating agencies and it is proposed the agency would be rated by at least two of them.
49. The agency would have a small team of staff and their salaries would be set by reference to public sector salary norms. The agency, as a public sector classified company, would have its staff remuneration made public.
50. The body would be overseen by a board of directors. This board would include members from:
- 50.1. Local government - with majority representation as the owners of the agency.
 - 50.2. Independent members, in particular those with credit or risk management backgrounds.
51. Collective agencies in other countries have various forms of government blessing or support. The next stage of work will explore this issue in more detail.
52. The intention is that the agency will be a stable and credible counterparty for prospective bond investors. The governance of the agency will reflect the intended culture that is:
- 52.1. Straightforward. The use of complex or opaque financial instruments will be avoided.
 - 52.2. Transparent. The activities of the agency will be open, the agency will follow modern public sector principles and publish comprehensive management information.

¹ WLGA coordinated the consultation on behalf of their members.

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52.3. Collective. The agency will balance the voices of smaller and larger authorities, much as in the way the LGA does at present. Views of other stakeholders will also be considered.

52.4. Efficient. The agency will emphasise value for money, as income is drawn from public funds. Profits will be used to provide returns on the risk capital invested, and otherwise will be retained in the organisation to build its capital base.

Structure and operating costs of the agency

53. Ernst and Young have modelled the costs and financing requirements of the collective agency. The main agency costs are:

53.1. The running costs. The key elements will be the treasury and credit assessment functions, as rating agencies look closely at these activities. Depending on how the agency is structured, and the level of demand from participating authorities, the total running cost should be between £2 million and £4 million a year.

53.2. The level of capitalisation required.

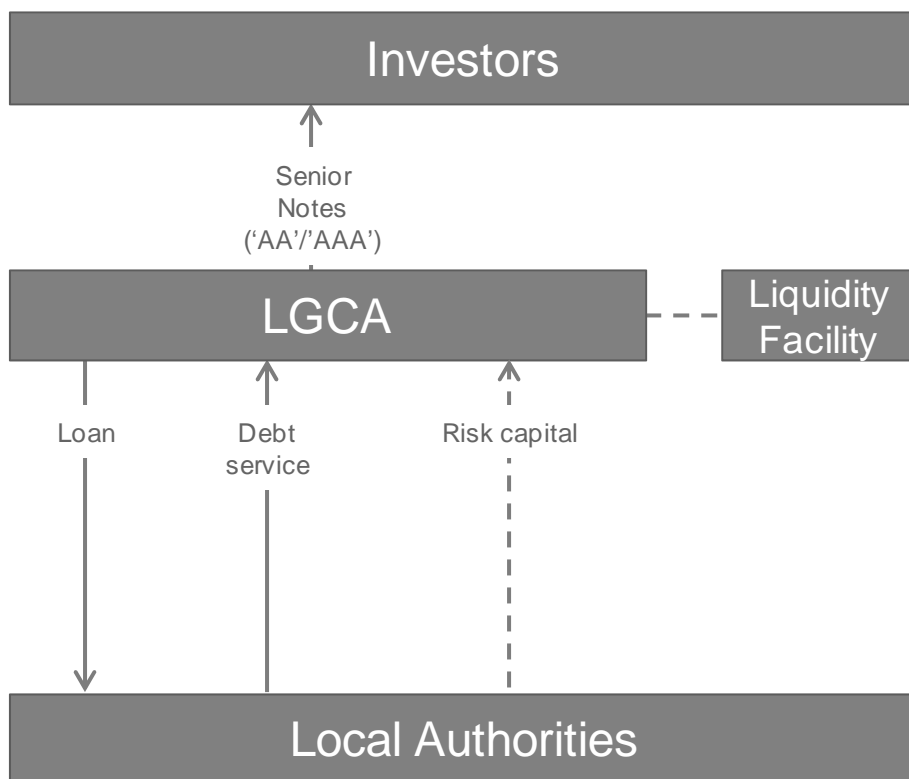
54. The issuing entity will be a public limited company. Participating authorities will invest risk capital in the company. Any surpluses generated by the company will be retained within the organisation to:

54.1. Increase its capitalisation and (by increasing its financial strength) reduce borrowing costs to participating authorities.

54.2. Pay a return on the risk capital.

54.3. Allow the return of the risk capital over time.

55. This arrangement could mean that, subject to prevailing bond market conditions at the time of issue, participating authorities may be able to borrow funds at between 0.7% and 0.8% above the current gilt rates.



- 56. The base case scenario of the agency financial model is based on a 40 year business plan.
- 57. Based on the aforementioned rates, an individual authority borrowing £100 million for 20 years would secure £4.7 million of savings in interest payments (undiscounted) over the life of the loan compared to the current PWLB rate.
- 58. The illustration below shows the various categories of agency cost which form a year on year loan charge (“Implied annual loan charge for members”), based on a 25 year business plan.
- 59. The financial model is based on prudent assumptions of local authority future capital spending and local authority borrowing levels. It is assumed the collective agency works in a competitive market, with a share of 20% rising to 50% in 2024.

Factors that deliver a AAA/Aaa rating

- 60. Important elements in securing a AAA/Aaa credit rating are the stance of the HM Treasury and Debt Management Office as to the remit of the agency, strong governance systems and appropriate capitalisation within the wider system of prudential borrowing and government oversight. The main requirements include:

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- 60.1. A diverse base of participating authorities.
- 60.2. A wide ownership structure.
- 60.3. Strong and clear internal processes, particularly in respect of treasury management and credit assessment.
- 60.4. Independent oversight by a board of independent directors comprising representatives from participating authorities and wider stakeholders.
- 60.5. Clear rules that provide clarity on the limits of the agency operations.
- 60.6. Transparent and simple funding arrangements.
- 60.7. Access to diverse sources of wholesale funding.
- 60.8. An adequate level of capitalisation.
- 60.9. An adequately sized debt service reserve account.

Borrowing funds from the collective agency

- 61. The agency will aim to build a presence in the bond markets. In the medium-term the agency would look to develop a programme of regular issues.
- 62. The agency will aim to minimise the amount of funding it holds before on lending. This will require liaison between participating authorities and the agency as to when those funds are required. In the early years of operation a “matched funding” approach may be adopted, minimising the risk of the agency holding significant unneeded funds.
- 63. The collective agency will operate under the assumption that the participating authorities are operating an effective prudential code system. However as the collective agency represents all participating authorities and its financial standing is based on their collective reputation, loan funding could not be assumed to be “on demand”.
- 64. The issues the collective agency may consider in making lending decisions are expected to be similar to those of a commercial lender, regulatory or oversight body. For the purposes of assessing whether the financial model is viable it has been assumed that every council will borrow at the same rate of interest. Options about lending policies would form part of the detailed consultation with authorities.
- 65. Participating authorities will be under a duty to provide their collective agency with details of their financial standing, including but not limited to their audited

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accounts, and to inform the agency if material changes arise during their financial year. The collective agency through its credit committee will review this information and liaise with participating authorities.

66. The credit committee of the collective agency would normally meet individual local authorities that represented an unusual credit position before making a final decision about lending funds. This might include local authorities with qualified accounts, critical external financial governance assessments or unusually high levels of borrowing.
67. A local authority wishing to borrow funds will have given a clear indication about their proposed borrowing. The collective agency will have reviewed those proposals and would have given pre-approval. The expectation is that the participating authorities will borrow at the time and in the amounts they previously indicated at the start of the year.

Wider benefits beyond the sector

68. This business case focuses on the benefits for participating authorities, but our discussions have identified wider benefits from this collective approach:
 - 68.1. It should provide a viable alternative and complementary funding source to the PWLB.
 - 68.2. A new class of highly rated and prudently managed bonds will be created. In an uncertain financial environment these could prove attractive for pension funds and other investors who can invest in UK infrastructure.
 - 68.3. By reducing expenses paid for separate bond issues.
 - 68.4. A collective agency owned in part at least by and lending to its participating authorities creates a different set of incentives over and above the rules within the prudential code:
 - 68.5. A membership based collective agency becomes a key part of the sector led approach. Participating authorities are well placed to identify if an individual participating authority's borrowing appears excessive, and can intervene early on behalf of the sector.
 - 68.6. The collective agency acts as the face of local government. The agency could have an educational role, and will provide the financial sector (including rating agencies) with comprehensive information about local authority finances - widening the corporate understanding of this sector.

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68.7. The collective agency will work with the professional regulators and parts of central government. It will bring additional perspectives into discussions about best practice in capital spending and prudential indicators.

Retail bonds

69. One of the issues highlighted by councillors has been how a collective approach could facilitate individuals to buy local authority bonds. The potential is that such bonds provide citizens to have a sense of ownership and interest in investment in infrastructure.
70. The possibility of accessing the retail bond market has been considered. Developments regarding the retail bond market recently introduced by the London Stock Exchange will be monitored during the next stages in the process

Risks

71. The option appraisal has looked at the major risks that could affect this project and the operation of the collective agency. The key risks are set out below. A fuller set of risks are contained within the business case document.

Risk + Impact	What can be done to mitigate it
Changes in government policy (eg a reduction in future PWLB interest rates) make the collective agency business model unviable.	<p>Liaison with government throughout the planning and consultation period can reduce this risk.</p> <p>Close working and potential Treasury involvement in operation of the collective agency will allow the agency to be aware of and react to national government concerns.</p> <p>It should also be noted that a do-nothing approach leaves local authorities at risk if a subsequent government were to decide to further increase the PWLB interest rate or change its terms of trade.</p> <p>However it should be recognised that even after mitigating actions this remains a significant risk to the success of the project.</p>
Lack of interest by local government sector means the agency does not achieve market share.	<p>The business model has been built on prudent assumptions.</p> <p>In spite of offering significantly lower borrowing costs it has been assumed only 20% of local authority borrowing will be raised through this mechanism in the initial stage, rising to 50% by 2024.</p>

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	<p>A key in reducing this risk is in the extent and quality of sector consultation prior to launch.</p> <p>Close liaison with elected Members, Finance Directors and Treasury Advisors will be needed to mitigate this risk.</p>
<p>Slow take-up means the collective agency does not cover its operating costs in initial years, or borrows money that it is then unable to lend.</p>	<p>As above, but in addition it is proposed that local authorities would have to give a commitment at the start of the year setting out when and how much they anticipate borrowing.</p>
<p>Significant loss of confidence in the UK local authority sector makes it harder for the collective agency to access funds at competitive rates.</p>	<p>The collective agency must put a high priority on explaining the workings and inherent quality of UK local government to bond purchasers.</p> <p>It should be noted that local government is already potentially exposed to this risk as funds raised from the PWLB are indirectly raised from bonds markets.</p>
<p>Emergence of alternative models for local authority borrowing</p>	<p>It will be important to test the proposed collective approach with other market providers as part of the extended consultation process.</p> <p>The international examples provide some assurance that these collective agencies, once established, become fixed parts of the borrowing landscape in their countries.</p>
<p>Low levels of capital spending or low levels of borrowing over an extended period.</p>	<p>The business model is based on assumptions drawn from:</p> <ul style="list-style-type: none"> • The comprehensive spending review, and that total capital spending falls year on year to 2013 and then stays below 2012 levels throughout the CSR forecast years. • An estimate of the percentage of total capital spending financed by borrowing. • A prudent assumption of market share by the collective agency.
<p>Major failure by local authority leads to reduction in confidence by bond purchasers and higher prices paid for local authority bonds.</p>	<p>This risk affects not just a collective agency, but also a model where local authorities raise individual bonds.</p> <p>The existing prudential code arrangements, and backstop powers for Treasury already provide substantial assurance</p>

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	<p>to bond purchasers.</p> <p>The proposed collective approach provides an additional incentive for local authorities to continue to operate prudently.</p> <p>The agency credit assessment function will also review local authorities and their financial standing.</p>
<p>Predicted credit spreads prove to be over optimistic and are not achieved once agency is established.</p>	<p>Stress testing of financial model over the six month period to June 2012 with key assumptions checked with a wide range of stakeholders.</p>
<p>Loss of UK AAA/Aaa rating results in consequential downgrade of the collective agency (and all other UK local authority bonds)</p>	<p>The six-month period pre-implementation phase allows the sector to assess if this is a realistic possibility.</p> <p>A reduction in credit rating would of course affect the price of all borrowing - including that made through the PWLB.</p>

Conclusion

72. Higher PWLB interest rates and a potential lack of competition means:
- 72.1. All local authorities are paying more for their borrowing than we believe may be possible via a collective approach.
 - 72.2. Smaller local authorities are disadvantaged because they can't easily access capital markets.
 - 72.3. The sector as a whole is vulnerable to further changes to PWLB rates.
73. Local authority led collective agencies have operated in a number of countries, in some cases for over a century. In other countries local authorities are establishing such agencies with the support of their national governments.
74. An England and Wales local authority run agency offers the possibility of delivering cheaper borrowing by ensuring local authorities utilise their collective credit strength.
75. Such an agency has the potential to be an important part of the sector-led improvement agenda - by strengthening the already strong governance of this area.
76. The Local Government Collective Agency (LGCA) is a solution developed by the sector for the sector, and its success or failure rests principally in the sector's appetite for adoption and support of such an alternative funding route.

LGA Vision and Priorities - Draft Business Plan 2012/13

Purpose of report

For decision.

Summary

1. The LGA's draft Business Plan for 2012/13 is presented for initial review in **Appendix A**. It has been developed by an iterative process with members, in discussions at Leadership Board and through the political group offices. These have informed the statement of our vision for local government and, given this, initial proposals as to where the LGA can have most impact over the coming year. Through this work, six priorities have emerged as the focus for the LGA's work – members are now asked to agree these.
2. The six priorities provide the framework for the draft business plan which also include proposals for each programme area, fed in by Heads of Programmes. Programme Boards are being asked to review these in the January round of meetings to inform the final business plan.
3. Further work will be undertaken over the coming weeks to ensure that the business plan is specific and clear about the impact we are seeking to achieve, and this will be reflected in the final business plan that will be presented for sign-off to the LGA Executive in March.
4. Discussions are also underway with regional local government representatives to ensure effective co-ordination of national and regional support.

Recommendation

To agree the high level priorities for the LGA for 2012/13.

Action

The final 2012/13 business plan and budget to be presented to Executive in March.

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LGA Vision and Priorities - Draft Business Plan 2012/13

Introduction

1. The LGA's draft Business Plan for 2012/13 is presented for initial review. It has been developed by an iterative process with members, in discussions at Leadership Board and through the political group offices. These have informed the statement of our vision for local government and, given this, initial proposals as to where the LGA can have most impact over the coming year.

LGA Priorities 2012/13

2. Through this work, six priorities have emerged as the focus for the LGA in the coming financial year – members are now asked to agree these to enable further work to be carried out in developing specific proposals for our work programme for 2012/13.
3. It is proposed that in 2012/13 we will focus on delivering the following outcomes:
 - 3.1. **Public Service Reform** – councils are the centre, and are seen to be at the centre, of public sector reform and delivering more effective services for local people.
 - 3.2. **Growth and Prosperity** – councils are recognised as central to economic growth.
 - 3.3. **Funding for local government** – reform of the public sector finance system so councils raise more of their funds locally, have confidence their financing is sustainable and greater ability to co-ordinate local public services.
 - 3.4. **Efficiency and Productivity** – councils dramatically reduce costs in ways which minimise the impact on the quality of life for their residents.
 - 3.5. **Sector-led Improvement** – councils are the most improved part of the public sector; local politicians and senior managers lead the transformation of local places.
 - 3.6. **The LGA's efficiency and effectiveness** – the LGA is the single voice of local government, representing every local authority across England and Wales along with elected police and crime commissioners, operating ever more efficiently and driving down the cost of membership.

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4. These provide the framework for the draft business plan which also includes the proposals for each programme area. These have been fed in by Heads of Programmes in the light recent discussions at Programme Boards.

Next steps

5. Programme Boards are being asked to review their proposals in the January round of meetings to inform the final business plan.
6. Further work will be undertaken over the coming weeks to develop a work programme which is specific and clear about the impact we are seeking to achieve, and this will be reflected in the final business plan that will be presented for sign-off to the LGA Executive in March.
7. Discussions are also underway with regional local government representatives to ensure effective co-ordination of national and regional support.
8. The outline budget has been reviewed by the Resources Panel. Final budget proposals will be presented to the February Resources Panel, to enable it to make a recommendation to the March Executive on the 2012/13 budget.



DRAFT

BUSINESS PLAN
2012/13

A SHARED VISION FOR LOCAL GOVERNMENT

CHANGING LIVES

Local government has the potential to lead local communities, now more than ever before, and play a central role in growth and in changing people's lives.

In the current economic climate, it is down to local government and its leaders, to rise to the challenge. People rely on us to do so, not just as the trusted deliverers of local services, but as leaders and innovators, as councillors who really know and work hard for their communities, and as officers who get on with the job.

Local government leaders are demonstrating they are up to the task and driving their councils forward to ensure they fulfil this role. Their aim is to make places distinctive and attractive for people to live and work in and enjoy.

Part of that leadership role is to communicate powerfully, to connect with people, taking the argument, strongly and self-confidently to central government, the wider public, other partners and the media.

ACCOUNTABLE

Local government really can make a tangible, lasting difference to people. It has the ability to inspire and lead communities, and improve quality of life, by creating and contributing to a real sense of place, rooted in those local communities.

Unlike many other organisations, councils can make change happen instantly and with real authority, at a very local level – the opposite of the grand, empty gesture. It is sometimes the small things which have most impact and leave the biggest impression.

Key to this is localism, by definition not something which is set out at a national level – localism means central government letting go, putting more faith in local people, and being confident about local democracy. Councils are the enablers of localism, not the impediment to it. They are often the single most important source of practical advice to local communities who want to take on more responsibility.

This means collaboration, partnership, no silos, and working across boundaries. Local government must work like this both internally and externally, facing outwards towards those who use local services.

Councils and councillors get involved and involve others. They encourage by example and support others to develop – and this includes their own workforce as much as their communities and the partners they work with. Councils actively involve people in the design and delivery of their local services.

Councils work as enablers – supporting people to take more control over their lives and their localities, and encouraging growth, through influence over land use, education, training and local infrastructure. There is real impact to be made in helping local economies and local businesses prosper.

EFFICIENT

Local government remains the most efficient part of the public sector and rightly rests its reputation on this fact. People correctly expect it to deliver cost effectively and efficiently, with excellence being pursued in balance with the appropriate use of public money.

Councils are ambitious in finding ways to do the job within their means, so they are good spenders of public money and more effective than most other organisations in helping people and communities.

In this way local councils and those who run them lead by example and by supporting others – by being bold, innovating, and sharing best practice.

Councils are not afraid to cut costs and be innovative about ways of improving services, as well as being prepared to consider radical economies of scale where this helps delivery on the ground. This means councils focusing relentlessly on performance, eliminating cost. To achieve this councillors are having to make difficult and at times unpopular decisions, while earning a reputation for delivering value for money.

Councils know they can only achieve this by ensuring they have a workforce that is appropriately rewarded, flexible, skilled and engaged through this time of unprecedented change.

RELIABLE

Councils are the backbones of their communities, relied on day in day out, to deliver excellent services whatever the circumstances. They are the safety net, relied on to pick up where other services fail.

People and their local communities depend on this and place their trust in their council, their councillors and what they deliver. Councils must live up to people's expectations and make sure their trust is not misplaced.

Local government can do this because it is one of the most open and accountable parts of the public sector. Voters expect it to deliver. It can be relied on to handle issues important to people's everyday lives and is a force for practical good.

Councillors themselves are trustworthy individuals and work hard in a transparent, highly accessible environment. They need to be supported and encouraged, as their talents, commitment and energy are a really important resource for the local communities they represent.

In return, councils connect to the daily lives of families and their communities. They do this by earning trust, being accountable and staying local. They put their faith in local people and are confident about local democracy.

Councils and their leaders provide the glue for local communities, ensuring social cohesion and successful diversity. Councils also have a key role in supporting the most vulnerable people in society.

THE LGA'S PRIORITIES

The LGA's mission is to support, promote and improve local government.

We work with councils to achieve our shared vision for local government by focusing our efforts where there is a need for us to get involved and where we can have real impact.

The LGA has a major role to play in upholding local government's reputation and supporting real leadership. We are politically led, but independently authoritative, holding unrivalled expertise and knowledge about local government and local government issues.

Leadership is about being bold and ambitious, supporting councils to make a difference, deliver and be trusted. The LGA is proactive and confident, unlocking the economic power and influence of local government and driving change. This is only possible if we work together as a single sector.

The LGA has a key role in driving the debate on public sector reform, to ensure that councils can bring together local services so they are better for the people who use them and better value for the taxpayer.

As the national organisation representing councils and councillors, we play a critical link between central and local government as the legitimate voice of our sector, making the case to ministers. Our policy work is based on objective, independent and credible analysis. It is driven by knowledge, not ideology, and by new thinking, not dogma.

The LGA also acts as the key conduit and promoter of the best that local government has to offer, by encouraging councils to develop and share best practice, through our improvement, innovation and productivity programmes.

As a politically-led membership organisation, we invest in support to the elected members who are directly involved in the LGA. We use our governance arrangements to build strong connections with councils and their sub-national partners to provide political direction for all our work.

This business plan focuses primarily on the services and support funded by subscriptions from LGA member authorities including fire and rescue authorities, and RSG top-slice. We seek additional funding for specific programmes where these fit with our priorities. We also provide services on a cost-recovery basis where councils are prepared to pay for them.

Our top priorities

To deliver our vision for local government, in 2012/13 we will focus on achieving the following outcomes:

Public Service Reform

Councils are at the centre - and are seen to be at the centre - of public sector reform and delivering more effective services for local people.

This includes:

- making the case for continued decentralisation of responsibilities and resources to councils
- making the case to government for community budgets and working with councils to develop and share good practice on community budgets for families with complex needs, and neighbourhood and area community budgets
- supporting councils with implementing the Localism Bill including the Power of General Competence and the Community Right to Bid and Challenge
- influencing the government's Open Public Services proposals and supporting councils in pursuing innovative public service reforms
- ensuring the negotiating machinery and national agreements for workforce are relevant and fit for purpose
- developing an affordable, sustainable and fair local government pension scheme that delivers value for money for the taxpayer
- supporting councils in the transfer of public health to local government
- supporting councils and community safety partnerships in preparing for police and crime commissioners, including setting up police and crime panels
- supporting councils in their role in education with the expansion of academies and free schools to ensure councils can ensure a fair system for all
- lobbying for fair funding for all schools and arguing the case for councils to be the mediating layer between central government and schools
- responding positively to the anticipated White/Green paper on the care system, supporting councils to share best practice
- articulating councils' role in the Big Society and supporting councils in commissioning from the voluntary and community sector
- helping councils share and develop good practice on payment by results
- lobbying in Brussels and Whitehall to ensure that future EU regulation minimises burdens and maximises opportunities.

Growth and Prosperity

Councils are recognised as central to economic growth.

This includes:

- leading a campaign to ensure that the local levers of growth are unfettered
- supporting the development of new planning powers, to achieve wellbeing and growth in local communities
- supporting councils to deliver the new housing strategy
- supporting councils in developing innovative funding for economic infrastructure
- representing councils' interests with reform of the EU structural funds
- lobbying to ensure councils are better able to influence local transport provision
- supporting councils in hosting and engaging communities in a safe and exciting 2012 Games, to deliver wider benefits for the whole country
- promoting and developing councils' role in the visitor economy
- supporting councils as they lead the national roll-out of superfast broadband
- working with government, industry and councils to ensure the Green Deal and new statutory responsibilities on home energy work for councils
- working with councils to strengthen community resilience, including understanding the underlying causes of the civil disturbances in the summer
- working to ensure regulatory services can remain flexible and accountable to the needs of local businesses and local communities
- supporting the development of members and officers in driving the economic potential of their areas.

Funding for local government

Reform of the public sector finance system so councils raise more funds locally, have confidence their financing is sustainable and greater ability to co-ordinate local public services.

This includes:

- the Resource Review, so that investment is focused more effectively on the local areas which most need it
- leading and shaping the debate on the Dilnot Commission's recommendations on the future funding of care and support
- lobbying for welfare reform, in the interests of improving services to local communities and to support local employment
- supporting the creation of a collective agency to help councils reduce their borrowing costs by using the bond markets
- working to achieve equitable needs-based funding arrangements that are fair to local government in all parts of the United Kingdom.

Efficiency and Productivity

Councils dramatically reduce costs in ways which minimise the impact on the quality of life for their residents.

This includes:

- helping councils save at least £150m over the next 3 years by supporting pathfinder programmes, productivity master classes and good practice
- roll-out of the capital assets programme with a particular emphasis on councils using their assets to generate economic growth
- lobbying and leading support for councils with waste and recycling including collection, infrastructure planning and delivery and waste minimisation
- providing free of charge tools such as LG Inform to allow councils to benchmark costs and performance information against other authorities
- continuing to support the Creative Councils programme to help councils turn their ideas into action and share the outcomes with the rest of the sector
- supporting councils to develop on the type of workforce they will need in five years' time helping them with reward, motivation and improved performance
- supporting councils and fire and rescue authorities to respond to civil emergencies

Sector-led improvement

Councils are the most improved part of the public sector.

Local politicians and senior managers lead the transformation of local places.

This includes:

- a programme of over 100 peer challenges in each of the next three years for councils and fire and rescue authorities
- maintaining an overview of the performance of local government and providing tailored support to councils that face significant challenges
- support to enhance councils' accountability to local people including support to strengthen scrutiny working with the Centre for Public Scrutiny
- an improvement programme for children's services
- working with councils to develop an improvement model for adult social care through Promoting Excellence in Adult Social Care
- support to councils to modernise and improve public libraries and programmes for culture, tourism and sport services
- ensuring that international practice is available to support service improvement in the UK and abroad
- providing a range of development programmes for elected members, and one free/subsidised place for every council for each of the next three years
- offering every council over the next three years a member development workshop to support councils to become "champions of their patch"
- working with the national parties and others to increase the diversity of people standing for public office through our "Be A Councillor" programme
- offering member mentoring free of charge for any council where there is a change of political leadership
- providing development programmes which bring together elected members and officers through programmes such as our Leeds Castle programme
- attracting new talent into the public sector through programmes such as the National Graduate Development programme.

Our own effectiveness and efficiency

The LGA is the single voice of local government, representing every local authority and locally democratically elected representatives across England and Wales.

This includes:

Membership

- increasing membership levels amongst local authorities in England and Wales and providing a membership body for Policy and Crime Commissioners
- improving engagement and building strong and productive relationships with councils and groupings of councils – this will be the focus of a member scrutiny review
- acting as conduit between local authorities and central government to ensure a local perspective to emerging policy debate
- securing amendments to emerging legislation and running effective campaigns that deliver real change and improvements for our membership
- developing our suite of communications to provide clear, relevant and up to the minute information that councils value and use
- enhancing benefits and reducing the cost of membership.

Business management

- reviewing our costs with a view to achieving a significant reduction in overheads – this is also the focus of a member scrutiny review
- focusing on value for money, transparency and accountability
- supporting our employees through regular appraisal and investment in their development.

Outline budget 2012/13

	Pay £m	Non-Pay £m	Total £m
Subscriptions			10.0
RSG England			25.5
RSG Wales			0.3
Specific grants and other ring-fenced funding			8.5
Other income (conferences, seminars, sponsorship)			2.0
Rental income			1.0
Other			1.0
Possible carry forward of prior year underspend			1.4
Total income			49.7
Political support and governance	1.7	1.4	3.1
Programme teams	4.6		6.4
Leadership and Productivity	4.4		9.4
Workforce	1.8		2.8
Policy and Delivery	10.8	7.8	18.6
Strategy and Communications	2.2	2.5	4.7
Total operational costs	14.7	11.7	26.4
Specific grants and other ring-fenced funding	2.8	2.8	5.6
Strategic Management Board	0.7	0.1	0.8
Finance and Resources	1.0	-	1.0
Liberata shared service	-	6.8	6.8
Accommodation	-	2.8	2.8
Other overheads (audit, insurance etc)	-	1.7	1.7
Pensions - past employees	-	0.9	0.9
Pensions - additional contribution	-	3.7	3.7
Total overheads	1.7	16.0	17.7
Total expenditure	19.2	30.5	49.7

Our Corporate Indicators

	Target 2012/13 (TBC)	Baseline
Membership	September 2012	September 2011
Total membership	422	422
People Management		September 2011
Employees – total headcount	307 (269 estabd posts + posts for grant-funded programmes)	307
Average sick days per employee for 12 months	Maintain or improve (public sector av 9.6 days; local govt av 10.3 days)	4.5 days
Workforce profile		
BME employees % of the workforce		17%
BME - proportion of employees Grade 6 and above	Increase % of BME employees grade 6+ in line with workforce	5.9%
Employee engagement	Survey during 2012	Survey July 2009
Satisfied with their job	Maintain or improve	79%
Good place to work		66%
Kept well-informed		80%
Line manager helps them achieve their potential		61%
Organisation is committed to equality and diversity in its services		69%
Organisation is committed to equality and diversity in its employment practices		66%
Debtors	March 2013	March 2011
0 – 2 months	80%	56%
3-12 months	20%	10%
13-24 months	0%	14%
Over 24 months	0%	20%
	100%	100%
Liberata customer satisfaction	Survey Nov 2012	Survey Nov 2010
HR and Payroll	80%	66%
Finance and accounting	80%	72%
ICT	80%	58%
FM	80%	80%
Print and design	80%	68%
Overall	80%	61%
Carbon emissions	March 2013 reduce by 6% from 07/08 baseline of 1,450 CO2 tonnes	March 2011
	1,363	1,373

Review of Governance – roles of the Leadership Board, Executive and Programme Boards

Purpose of report

For decision.

Summary

The LGA Leadership Board has completed its review of LGA governance arrangements. Following earlier reports on 15 September and 13 October, this paper sets out the Board's final recommendations to the LGA Executive.

Recommendations

The Leadership Board recommend to the Executive:

1. That a new interim Finance Task Group is established with responsibility for Finance Policy, and for the National Fraud Framework, reporting to the Executive.
2. That the roles and responsibilities of the Executive, Leadership Board and Programme Boards are amended to reflect the new integrated LGA (**Appendix A**).
3. That the Programme Boards are renamed Boards.

Action

Officers to implement any changes in line with members' decision.

Contact officer: Claire Holloway
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Review of Governance – roles of the Leadership Board, Executive and Programme Boards

Background

1. The LGA Leadership Board has reviewed the current governance arrangements, introduced as part of the Getting Closer programme in September 2010. A first report was brought to the Executive on 13 October 2011, when members agreed that:
 - 1.1 the LGA becomes the dominant front-facing brand for the LG Group, with the LGID (IDeA) company as trading/service delivery arm.
Brand change is now complete, with actions underway to rationalise company structure over the next 12 months;
 - 1.2 the Councillors' Forum should be open to any interested member to attend. *Councillors Forum was opened up from November 2011;*
 - 1.3 from 2012 the chair of the Safer, Stronger Communities Programme Board also chairs the LACORS company board.
LACORS Board has begun the process of winding down;
 - 1.4 officers investigate potential for the LGA to host a membership scheme for police and crime commissioners (PCCs).
Proposals and supporting business case have been presented to key individuals leading work on the new PCCs.
2. In addition, the Leadership Board has:
 - 2.1 established an informal New Leaders' Forum (a forum for new leaders rather than a new forum for leaders), whose first meeting is set for 23 January 2012;
 - 2.2 authorised officers to investigate the potential for a single corporate membership scheme for National Parks Authorities to replace the current Associate scheme.
3. This final part of the review looks at the LGA Executive, Leadership Board and Programme Boards, and makes recommendations designed to clarify and sharpen their respective roles and responsibilities and ensure that members are driving the priorities and delivery of the LGA.

Roles & responsibilities of Executive, Leadership Board and Programme Boards

4. The tables in **Appendix A** show the current roles and responsibilities of the LGA Executive, Leadership Board and Programme Boards, along with the changes recommended by the Leadership Board.
5. For convenience, Members may wish to revert to the title “Board” rather than “Programme Board”.

Finance

6. The Executive is responsible for cross-cutting issues, including local government finance. Given the size and importance of this area, the Leadership Board recommends that the Executive sets up a Finance Task Group, chaired by the Chairman of the Association. Members can decide in April 2012 whether they wish to seek the approval of the General Assembly to establish a full Programme Board.
7. Responsibility for issues relating to fraud, including the National Fraud Strategy, currently sits with the Improvement Programme Board. The Chairman of that Board has indicated that this responsibility might sit more appropriately with the new Finance arrangements, once work on the current stage of the National Fraud Strategy is complete.

Conclusion and next steps

8. Subject to the agreement of the Executive the revised arrangements will be implemented immediately.

Financial Implications

9. The creation of a new Finance Programme Board would result in an increase in the number of Special Responsibility Allowances to members, at a maximum additional cost of £64,820, plus any travel and subsistence payable to the chairman.

Current	Proposed
<p>LGA Executive</p> <p>Provides strategic direction to the work of the LGA, taking advice from the Leadership Board and company boards, and representing the views of local government. It is responsible for:</p> <ul style="list-style-type: none"> • Ensuring that the LGA is focused on councils and councillors. • Setting the Association’s strategic direction and priorities through the Business Plan, and ensuring overall delivery. • Ensuring activity across the LGA is coordinated and integrated. • Determining LGA policy for cross-cutting policy issues such as finance and efficiency and local democracy, after consultation with member authorities. • Holding the Programme Boards to account and ensuring they deliver their objectives. • Maintaining strong links with the wider membership to ensure priorities are based on the views of all member councils. <p>The Executive can allocate responsibility to one or more of its members for particular areas within its remit and/or establish member task groups.</p> <p>It can invite the chairs of Special Interest Groups (SIGs) to attend meetings.</p>	<p>LGA Executive</p> <p>Provides strategic direction to the work of the LGA and a mechanism to listen and influence national government legislation and public opinion. It supports councils and councillors to serve their communities in the best ways possible and is responsible for:</p> <ul style="list-style-type: none"> • Ensuring that the LGA is focussed on serving councils and councillors across England and Wales. • Maintaining strong links with the sector, including through the sub-national groupings of councils, to ensure LGA priorities are based on the views of members and member councils. • Agreeing the LGA’s vision and priorities through the LGA business plan, taking advice from the LGA Leadership Board. • Determining LGA policy for cross-cutting policy issues, including the localism agenda. • Holding the Programme Boards to account and providing a steer on complex policy issues. • Setting the annual LGA budget and subscriptions, taking advice from the Resources Panel. <p>The Executive can allocate responsibility to one or more of its members for particular areas within its remit and/or establish member task groups.</p> <p>It can invite the chairs of Special Interest Groups (SIGs) to attend meetings.</p>

Current	Proposed
<p>Leadership Board</p> <p>Directs the Association’s activities and business on behalf of its membership in accordance with the strategic priorities and direction set by the LGA Executive. It reports and makes recommendations to the Executive on the LGA’s activities and is responsible for:</p> <ul style="list-style-type: none"> • Managing and maintaining relationships with member authorities. • Being the national voice of local government, by providing the principal spokespersons for the LGA. • Developing and delivering the LGA business plan. • Setting the Association’s annual budget and subscriptions. • Monitoring the Association’s Income and Expenditure against the budget. • Managing and maintaining external relationships with other local government representative bodies, Whitehall, Government, the legislature and partners. • Representational activity on behalf of the LGA. • Agreeing the format of the LGA General Assembly Annual Meeting, in line with the Constitution. • Agreeing the programme and format of the LGA Annual Conference. • Agreeing the LGA approach to the annual political balance. <p>The Leadership Board may allocate responsibility for particular areas within its remit to one or more of its members.</p>	<p>Leadership Board</p> <p>Develops the strategic priorities of the Association in consultation with member councils and the LGA Boards and makes recommendations to the Executive. It directs the activities and business of the LGA in line with those priorities and is responsible for:</p> <ul style="list-style-type: none"> • Building and maintaining positive relationships with member authorities and maximising LGA membership levels. • Maintaining a forward programme of forthcoming legislation and events, identifying and discussing emerging and key issues and highlighting them to the Executive. • Developing and overseeing the delivery of the LGA business plan. • Overseeing delivery of the Board work programmes. • Managing and maintaining relationships with other local government representative bodies, Whitehall, Government, the legislature and other partners. • Undertaking representational activity on behalf of the LGA and providing the principal spokespersons. • Ensuring activity across the LGA is coordinated and integrated. • Agreeing the format of the LGA General Assembly Annual Meeting, in line with the Constitution. • Agreeing the programme and format of the LGA Annual Conference. • Agreeing the LGA approach to the annual political balance. <p>The Leadership Board may allocate responsibility for areas within its remit to one or more of its members.</p>

Current	Proposed
<p>Programme Boards</p> <p>Engage with and develop a thorough understanding of councils' priorities in relation to their particular programme area. Each has its own terms of reference, but responsibilities include:</p> <ul style="list-style-type: none"> • Developing a thorough understanding of council priorities and performance in the areas of responsibility, using strong networks and robust information. • Helping to shape the LGA Business Plan by ensuring the priorities of the sector are fed into the process. • Overseeing a programme of work to deliver the strategic priorities set by the LGA Executive, covering lobbying, campaigns, research, policy, good practice, improvement support and events – as specified in the business plan, linking with other boards where appropriate. • Representing and lobbying on behalf of the LGA including public statements in its areas of responsibility. • Building and maintaining effective relationships with key stakeholders. <p>Programme Boards may:</p> <ul style="list-style-type: none"> • Appoint members to relevant outside bodies in accordance with the Political Conventions. • Appoint member champions (who must be a current member of the Board) on key issues. <p>Programme Boards should seek to involve councillors in supporting the delivery of these priorities eg through task groups, Commissions, SIGs, regional networks and other means of wider engagement.</p>	<p>(Programme) Boards</p> <p>Engage with and develop a thorough understanding of the issues within their brief and how legislation does or could affect councils and their communities. Each Board has its own terms of reference, but responsibilities include:</p> <ul style="list-style-type: none"> • Ensuring the priorities of councils are fed into the business planning process. • Developing a work programme to deliver the business plan priorities relevant to their brief, covering lobbying, campaigns, research, improvement support and events and linking with other boards where appropriate. • Sharing good practice and ideas to stimulate innovation and improvement. • Representing and lobbying on behalf of the LGA including making public statements on its area(s) of responsibility. • Building and maintaining relationships with key stakeholders. • Involving representatives from councils in its work, through task groups, Commissions, SIGs, regional networks and mechanisms. • Responding to specific issues referred to the Board by one or more member councils or groupings of councils. <p>(Programme) Boards may:</p> <ul style="list-style-type: none"> • Appoint members to relevant outside bodies in accordance with the Political Conventions. • Appoint member champions from the Board to lead on key issues.

Independent Remuneration Panel: Review of Members' Allowances 2011

Purpose of report

For decision.

Summary

1. The last review of members' remuneration was carried out in 2009 and came into effect on 1 September 2009. It included:
 - 1.1. extension of the scheme to cover governance structures across the then LG Group;
 - 1.2. the introduction of role descriptions;
 - 1.3. revisions to the scheme of allowances.
2. The Panel's report was presented to the Executive in July 2011, who referred it on to the Leadership Board for detailed consideration. The Leadership Board has met with Lord Best on two occasions and commends the recommendations of the Independent Panel, set out in paragraph 4.3 of this report.

Recommendations

That the Executive thank Lord Best and the Independent Panel for all their work and agree the recommendations set out in **paragraph 4.3**.

Action

Subject to members' decision:

1. Officers to update the current scheme of allowances.
2. Chairman of the LGA and chairs of all LGA governance structures to hold 1:1s with members of their respective bodies.

Contact officer: Claire Holloway
Position: Head of Corporate Governance
Phone no: 020 7664 3156
E-mail: claire.holloway@local.gov.uk

Independent Remuneration Panel: Review of Members' Allowances 2011

Background

1. The last review of members' remuneration was carried out in 2009 and came into effect on 1 September 2009. It included:
 - 1.1. extension of the scheme to cover governance structures across the then LG Group;
 - 1.2. the introduction of role descriptions;
 - 1.3. revisions to the scheme of allowances.
2. Following the introduction of new governance arrangements across the LGA from 1 September 2010, the Executive invited Lord Best to reconvene the Independent Remuneration Panel to review the Scheme of Members' Allowances. The Panel presented their report to the Executive in July 2011, who referred it to the Leadership Board to consider in detail.

Response to the Independent Panel's findings

3. The Leadership Board met with Lord Best on two occasions and welcomed the overall findings of the Independent Panel that:

"... in relation to the current arrangements for payments to Local Government Group Members: first, we noted that levels have not been increased since 2009 despite the extension of responsibilities for senior post holders following the integration within the Local Government Group of the Improvement and Development Agency and other parts of the previous LGA family. We concluded that these levels of remuneration for post holders are not excessive, either in comparison with comparable positions within individual local authorities or with comparable positions in statutory and non-governmental public bodies. We found the level of allowances for all post holders to be fair and reasonable.

Second, in relation to expenses – which have caused so much difficulty amongst Members of Parliament – we found the system to be disciplined, properly accounted for, and with sensible constraints. We do not feel the level of expenses should give rise to public criticism or concern."
4. A copy of the current levels of remuneration, endorsed by the panel, is attached at **Appendix A**.
5. In relation to the individual recommendations, the Leadership Board:

- 5.1 Thanked the Independent Panel for its work on how the LGA might achieve a revised balance between allowances and expenses should it wish to do so. However after further consideration, the Board agreed to continue with the current approach to payment of expenses for the time being.
- 5.2 Agreed a revised job description for Deputy Chairs of the Association with an allowance of £7778 per annum.
- 5.3 Endorsed the Panel's recommendations that:
 - 5.3.1. *Responsibility Allowances may be withdrawn permanently or temporarily if a councillor, without good reason or the express consent of the chairman, misses two successive meetings*
 - 5.3.2. *The LGA commits to a system of annual review for all members who receive an allowance, through an annual 1:1 with the relevant chair.*
 - 5.3.3. *Clause 22 of the Scheme of Allowances is amended to read that "mileage will be paid at the nationally agreed HMRC mileage rate".*

Conclusion and next steps

6. The Independent Panel has now completed its work. Subject to the outcome of the Executive discussion, the Panels recommendations will be implemented with immediate effect.

Financial Implications

7. The HMRC mileage rate is lower than the NJC rate currently used. Whilst this will result in a small saving, most members travel by public transport on LGA business and the impact will therefore be negligible. The remaining recommendations do not have any financial implications.

LGA Responsibility Allowances

Post	Allowance	Post	Allowance
LGA Office Holders/ Leadership Board		Company Boards	
Chairman of the LGA	£54,482	LG Improvement (as Improvement PB)	
Vice chair (leader of 2 nd largest group)	£37,878	Chair	£15,556
Vice chair (leader of largest group)	£32,690	Vice chair/Deputy chair	£7,778
Vice-chair (leader of 3 rd largest group)	£32,690	Member	£2,593
Vice-chair (leader of 4 th largest group)	£27,500		
Deputy chairs	£ 7,778	LG Employers (as Workforce PB)	
		Chair	£15,556
Programme Boards & Resources Panel		Vice chair/Deputy chair	£7,778
		Member	£2,593
Chair	£15,556		
Vice/deputy chairs	£7,778	LGIB (as European & International PB)	
Member	£2,593	Chair	£15,556
		Member	£2,593
Audit & Scrutiny Panel			
Chair	£7,778	LG Regulation	
Vice/deputy chairs	£2,593	Chair	£10,365
Member	£2,593	Vice chair/Deputy chair	£2,593
		Member	£2,593
Fire Services Management Cttee			
Chair	£10,365	Local Partnerships	
Other office-holders	£5,181	Chair	£10,365
Members	£1,096	Vice chair/Deputy chair	£2,593
		Member	£2,593
Rural and Urban Commissions			
Chair	£10,365	LG Leadership	
Vice/ Deputy Chairs	£5,181	Separate scheme	

The following are entitled to claim back for travel and subsistence expenses:

- LGA Office Holders
- Chairs of Programme Boards
- Chairs, Vice Chairs of the company Boards
- Regional representatives and representatives of CCN, DCN and SIGOMA attending LGA Executive meetings
- LGA members appointed to outside bodies or attending meetings as representatives of the LGA
- Members representing the Employers at negotiations and meetings
- Member Peers undertaking LGA commissions or attending training sessions.

Note of decisions taken and actions required

Title:	LGA Executive
Date and time:	Thursday 8 December 2011, 2.30pm
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 - 3 Report of the Children and Young People Programme Board
Adoption update**

Progress report from the Children's Improvement Board (CIB)

Councillor David Simmonds, Chairman of the Children and Young People Programme Board, introduced these three items for discussion together. Cllr Simmonds set out the main lobbying successes of the Board as well as outlining the key challenges facing the sector.

In discussion members raised a number of questions and issues, including:

- What powers would councils have to intervene in academies that were experiencing difficulties and how would they identify these academies?
Cllr Simmonds stated that local authorities still had a range of powers to intervene in academies where they foresaw difficulties. The relationship between the schools and the local authorities would be key in identifying where support was needed.
- The value of a sector-led approach to children's improvement.
Two councillors from the Children and Young People Programme Board held places on the Children's Improvement Board (CIB) and provided member oversight and scrutiny on the Board's activities. Noted that in its first year of operation, the CIB had achieved some notable successes although there were still further improvements to be made.
- The CIB has identified adoption as a priority for policy implementation through the sector-led improvement programme for children's services. Noted that the Secretary of State had been positive about local government's reaction to the Government's

- position on adoption rates.
- The importance of providing independent careers advice to young people in schools – members expressed support for the careers summit the Children and Young People Programme Board would be hosting.

Decision

Members agreed that a paper on capital and academies funding would be brought to a future Executive meeting.

Action

Officers to progress all aspects in line with Members' steer.

**Helen
Johnston**

4 Autumn Statement update

Paul Raynes, Head of Programmes for Localism and Finance, introduced this item outlining the impact of the Autumn Statement on local government. The key changes compared with the position set out in the 2010 Spending Review were:

- a switch of about £3.7 billion over the period to 2014-15 from current spending into capital spending; and
- further cuts in current spending in 2015-16 and 2016-17.

The Chancellor's announcement on the Government's spending plans for 2015-16 and 2016-17 stated that total Government expenditure would fall by 0.9% p.a. in real terms in each of those years. This was in line with the rate set out in the 2010 Spending Review.

It was noted that these proposals could lead to higher levels of the 'set-aside' which had been highlighted as a significant issue in the LGA response to the recent Local Government Resource Review consultation.

Members raised concerns about the assumptions made by the Treasury regarding the possible savings from public sector pay restraint. Some members felt that this may lead to further spending cuts for councils. Members suggested that there needed to be further examination of Whitehall spending.

Members discussed the implications of the Barnett Formula and asked for a further report to be brought to the Executive.

Decision

Members noted the report and confirmed their commitment to greater devolution of funding.

Action

Officers to provide further report on the Barnett Funding formula.

**Paul
Raynes**

5 Regional Report: Cllr Martin Hill OBE, EM Councils

Cllr Martin Hill OBE, EM Councils representative, introduced the first of the new regional reports, updating members on the work currently being undertaken by East Midlands Councils.

Members welcomed the opportunity to share expertise and strengthen the links with the regions.

Decision

Members agreed on the importance of maintaining strong links with the regions.

Action

Officers to co-ordinate forward programme of reports from the regions.

**Claire
Holloway**

6 LGA Membership Subscriptions

Cllr Stephen Castle, Chairman of the Resources Panel, introduced this item summarising the proposed LGA membership subscription structure for the year commencing 1 April 2012. It was noted that a reduction of more than 7% in subscription levels was proposed for 2012-13 and that the subscriptions would average out to approximately 20p per resident in England, and around 8p per resident in Wales.

Cllr Castle thanked Stephen Jones, Director of Finance and Resources, for his work on subscription levels.

Decision

Members noted the report and agreed the subscription level.

Action

Officers to notify all member authorities of their 2012/13 subscription.

**Stephen
Jones**

7 Note of the LGA Leadership Board 7 December 2011

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

8 Note of last LGA Executive 10 November

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

Attendance list

Position/ Role

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

Councillor

Sir Merrick Cockell
Gary Porter
David Sparks OBE
Gerald Vernon-Jackson
Marianne Overton
Robert Light
Steve Reed
Mayor Dorothy Thornhill MBE

Authority

RB Kensington & Chelsea
South Holland DC
Dudley MBC
Portsmouth City
Lincolnshire CC
Kirklees Council
Lambeth LB
Watford BC

Position/ Role

Members

Councillor

Paul Bettison
Ian Greenwood
David Wilcox OBE
Angus Campbell
David Rogers OBE
Peter Martin
Stephen Castle
Mayor Jules Pipe
Roger Phillips
David Simmonds JP
Mehboob Khan
David Parsons CBE
Mayor Sir Steve Bullock
Martin Hill OBE
Sir Richard Leese CBE
Neil Clarke
Peter Fleming
Jill Shortland OBE
Paul Bettison
Ian Greenwood
David Wilcox OBE
Angus Campbell
David Rogers OBE
Peter Martin

Authority

Bracknell Forest Council
Bradford MDC
Derbyshire CC
Dorset CC
East Sussex CC
Essex CC
Essex CC
Hackney LB
Herefordshire CC
Hillingdon LB
Kirklees Council
Leicestershire CC
Lewisham LB
Lincolnshire CC
Manchester City
Rushcliffe DC
Sevenoaks DC
Somerset CC
Bracknell Forest Council
Bradford MDC
Derbyshire CC
Dorset CC
East Sussex CC
Essex CC

Apologies

Stephen Houghton CBE
Robert Gordon DL
Chris White
Paul Carter
Lord Peter Smith
Edward Lord OBE JP
Philip Atkins

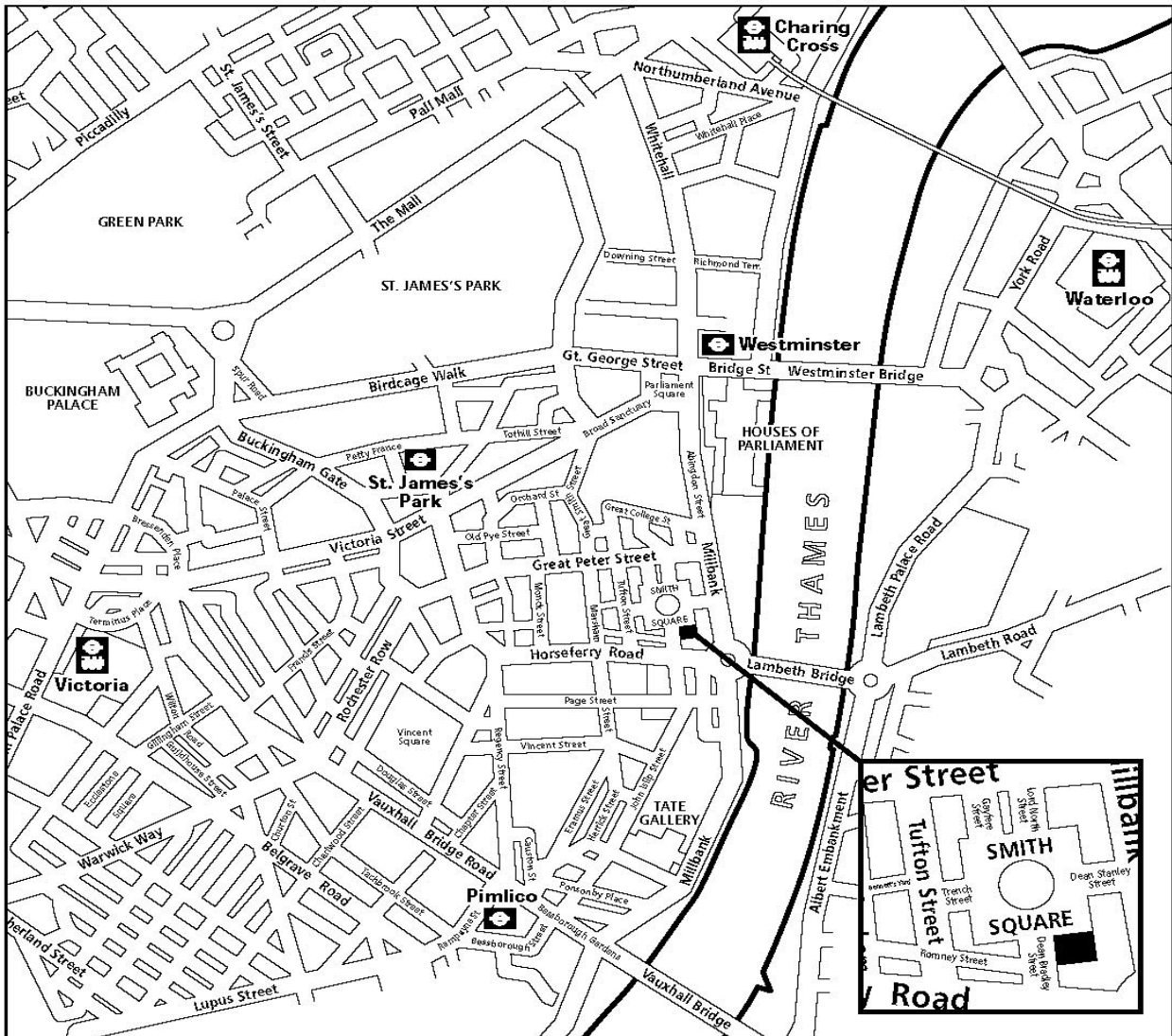
Barnsley MBC
Hertfordshire CC
Hertfordshire CC
Kent CC
LG Leadership
Local Partnerships
Staffordshire CC



Sharon Taylor
Paul Watson
Peter Box CBE
Robert Dutton OBE

Stevenage BC
Sunderland City
Wakefield Council
Wrexham County Borough

LGA Location Map



Local Government Association

Local Government House
 Smith Square, London SW1P 3HZ
 Tel: 020 7664 3131
 Fax: 020 7664 3030
 Email: info@local.gov.uk
 Website: www.local.gov.uk

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