

Note of decisions taken and actions required

Title:	LGA Executive
Date and time:	Thursday 12 January 2012, 2.15pm
Venue:	The Westminster Suite, Local Government House

Attendance

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

Item	Decisions and actions	Action by
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Members asked that their best wishes be passed to Councillor Robert Light, whose son had recently been injured in Afghanistan.

1 The Barnett Formula

Paul Raynes, Head of Programmes for finance and localism, introduced this item. He informed the Executive that the Barnett Formula was population based and did not measure relative need. It was noted that the Treasury put spending per head of population at 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. Though the formula was not in itself responsible for the higher levels of spending per head in each of the devolved administrations it maintains them in a system not measuring need.

He then outlined two further models of funding; one, equalising funding in each territory on a common per head basis; and another sample model of a needs-based allocation.

Members welcomed the report and agreed that the formula was outdated and not based on current needs. Members agreed that they favoured needs based funding and asked that the issue be taken forward by the proposed Finance Task Group. Some members raised the issue of cross-border working as a potential barrier to effective delivery of services.

Decision

Members:

- 1. agreed that the LGA would take forward work on needs based funding. To be considered as part of the Finance Task Group.*

Action

Officers to proceed in line with members' comments.

**Paul
Raynes**

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

Cllr David Rogers OBE introduced this report outlining the key developments on the transfer of responsibility of public health to local government. It was noted that there had been significant progress on confirming the detail of the reform although clarity was still needed around the distribution formula and the public health grant.

Some members raised concerns about the proposed timescales for the transfer in light of the uncertainty around funding. Cllr Rogers replied that the Community Wellbeing Programme Board had made this point to the Department of Health, and it had been acknowledged. However, it was noted that the delay had been due to the complexity of finalising the base line.

Members asked about the lines of accountability for Directors of Public Health and the pay scales on which they would be appointed as well as emphasising the importance of local determination over public health structures. Carolyn Downs answered that the LGA had been lobbying to ensure that reporting lines were a matter for local discretion.

Decision

Members:

- 1. confirmed that the LGA's position reflected the priorities of councils and endorsed the current and proposed LGA activity on public health;*
- 2. asked for further information to be sent out to members of the Executive regarding funding as soon as it was available.*

Action

Officers to send out further information on funding to the Executive.

**Andrew
Cozens**

3 Troubled Families

Following Louise Casey CB's presentation to the Councillors' Forum on

Troubled Families, the Chairman introduced this item for discussion. Members welcomed Louise Casey's attendance at Councillor's Forum especially as local government was at the heart of this work. Some members felt that this work may carry a risk for local government, and that the level of support for the work across Government departments was not consistent.

Members raised concerns about the Government's current 3 year timescale for tackling troubled families, as engagement with troubled families was often more long-term and involved complex issues. These issues often needed a cross-cutting approach and there was a need for linkages between the Programme Boards.

Members questioned how the role of the judiciary in cases involving troubled families could be improved and Carolyn Downs said that the Secretary of State for Education had been actively promoting the idea of speeding up the court processes in this area.

Decision

Members:

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

Actions

Officers to invite Louise Casey to give feedback from the discussion and to research past national initiatives aimed at troubled families.

**Paul
Raynes**

4 Local Authority Bonds

Cllr Chris White declared a personal but non-prejudicial interest in this item.

Cllr Edward Lord OBE JP, Chairman of the Local Authority Bonds Task and Finish Group, introduced this item for discussion setting out the recommendation of the Task and Finish Group for a local authority owned collective agency. The agency would rely on capital not cross guarantees. It would lend funds at about 0.7 per cent above "gilts" and it was expected to take around 2 years to establish at a cost of approximately £2 to £4 million to operate. The collective agency would be run on clear principles of transparency, collectivity, efficiency and simplicity. It would also benefit the sector with less expensive funds, and it would be managed by the sector for its benefit.

Members welcomed the proposal and agreed that it showed the value of the LGA and the collective strength of the sector. Members were keen for the agency be established quickly, with the first councils identified promptly. Members asked about the credit rating of the collective agency and how it would be ensured that this was better value than using the open market to raise funds. Councillor Lord replied that the credit rating of the agency would be based partly on the credit rating of the councils within membership of the agency. However, it was noted that further work was currently being undertaken on the collective agency's credit rating.

Members questioned whether the collective agency could be restricted to local authorities in membership of the LGA.

Decision

Members:

- 1. authorised the Task and Finish Group to publish the outline business case for the development of a collective agency, on behalf of the LGA;*
- 2. extended 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. authorised the LGA to contribute 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

LGA officers to contact the local authorities that have expressed an interest in being involved in this work.

**Mark
Luntley**

5 Regional report – LG Yorkshire and Humber

Cllr Peter Box CBE introduced this item outlining the workplan and priorities of LG Yorkshire and Humber. He said one of the key challenges for the LGA was to represent all the diverse needs and interests of the regions effectively. It was noted that the Chairman would be visiting LG Yorkshire and Humber shortly.

Decision

Members noted the report.

Action

Officers to continue working with the regions on updates to the Executive.

**Ian
Hughes**

6 LGA Vision and Priorities

The Chairman introduced this item for discussion, saying that the business plan was a working document and that it would be going on next to the regional representatives and the Programme Boards for their full involvement particularly in providing focused & outcome related actions to support the agreed priorities.

Decision

Members agreed the high level priorities for the LGA for 2012/13 as:

- 1. Public Service Reform*
- 2. Growth and Prosperity*
- 3. Funding for local government*
- 4. Efficiency and Productivity*
- 5. Sector-led Improvement*
- 6. The LGA's efficiency and effectiveness*

Action

LGA officers to amend the Business Plan following further discussions by the Programme Boards and regional representatives.

**Helen
Platts**

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

The Chairman introduced this item for discussion setting out the main proposals from the Governance Review. Cllr Martin Hill OBE, welcomed the continuing role of the regional representatives on the Executive.

Decision

Members agreed:

- 1. That a new interim Finance Task Group would be established with responsibility for Finance Policy, and for the National Fraud Framework. This Task Group would report to the Executive and Sir Merrick Cockell would be Chairman of the Group.*
- 2. That the roles and responsibilities of the Executive, Leadership Board and Programme Boards are amended to reflect the new integrated LGA.*

3. *That the Programme Boards are renamed Boards.*

Action

Officers to implement changes in line with members' decision.

**Claire
Holloway**

8. Independent Remuneration Panel: Review of Members' Allowances 2011

As all members of the Executive receive a Special Responsibility Allowance and/or expenses from the LGA, all members of the Executive declared an interest.

Cllr Jill Shortland OBE asked the LGA to raise again with the Government that under current regulations LGA allowances cannot be pensionable. Members also requested that the next review of remuneration should be a full and comprehensive review with a robust evidence base.

Decision

Members agreed that:

- 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*
- 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.*
- 3. Clause 22 of the Scheme of Allowances is amended to read that "mileage will be paid at the nationally agreed HMRC mileage rate".*
- 4. The next review of remuneration should be a full, comprehensive and evidence based review.*

Action

Officers to raise with Government the issue of pensionable allowances

**Carolyn
Downs**

9. Note of the LGA Leadership Board

Members **agreed** the note of the last LGA Leadership Board meeting held on 11 January 2012.

10. Note of last LGA Executive

Members **agreed** the note of the last LGA Executive meeting held on 8 December 2011.

Appendix A

Attendance list

Position/ Role

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

Councillor

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

Authority

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

Position/ Role

Members

Councillor

Paul Bettison
Dave Wilcox OBE
Angus Campbell
David Rogers OBE
Peter Martin
Stephen Castle
Roger Phillips
Chris White
David Simmonds
Mehboob Khan
David Parsons CBE
Mayor Sir Steve Bullock
Martin Hill OBE
Edward Lord OBE JP
Neil Clarke
Peter Fleming
Jill Shortland OBE
Philip Atkins
Paul Watson
Peter Box CBE
Robert Dutton OBE

Authority

Bracknell Forest Council
Derbyshire CC
Dorset CC
East Sussex CC
Essex CC
Essex CC
Herefordshire CC
Hertfordshire CC
Hillingdon LB
Kirklees Council
Leicestershire CC
Lewisham LB
Lincolnshire CC
Local Partnerships
Rushcliffe BC
Sevenoaks DC
Somerset CC
Staffordshire CC
Sunderland City
Wakefield Council
Wrexham County Borough

Position/ Role

Substitutes

Councillor

John Merry CBE
Sue Murphy
Gordon Keymer CBE
Ann Lucas

Authority

Salford City
Manchester City
Tandridge DC
Coventry City



Apologies

Robert Light
Stephen Houghton CBE
Mayor Jules Pipe
Sharon Taylor
Paul Carter
Ian Greenwood
Sir Richard Leese CBE
Lord Peter Smith

Kirklees Council
Barnsley MBC
Hackney LB
Stevenage BC
Kent CC
Bradford MDC
Manchester City
LG Leadership