

Local Government Finance Task & Finish Group

Purpose of report

For decision.

Summary

This paper seeks the Leadership Board's approval of the Terms of Reference for a Task & Finish Group to oversee more detailed work on local government finance over the next six months.

Recommendation

Members are asked to approve the Terms of Reference set out in this report.

Action

Director of Finance and Resources

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Local Government Finance Task & Finish Group

Background

1. The recent review of the LGA's governance identified members' wish to provide opportunities for more in-depth discussion of local government finance issues. When this matter was discussed at the December Leadership Board, it was agreed that:
 - 1.1 a new Finance Task Group be established with responsibility for Finance Policy, and for the National Fraud Framework, reporting to the LGA Executive;
 - 1.2 the new Finance Task Group should be chaired by the Chairman, Cllr Sir Merrick Cockell;
 - 1.3 consideration be given to the establishment of a new Finance Programme Board, to replace the Finance Task Group, in due course: this is expected to require a report to the General Assembly.
2. The next six months will be a particularly busy time for local government finance issues, with the passage through Parliament of the Local Government Finance Bill. The draft Terms of Reference attached are therefore flexibly drawn but anticipate that work related to the Bill will be the main priority.
3. The discussion at the December Leadership Board concluded that responsibility for further work related to fraud prevention should move to the Task Group from the Improvement Programme Board, and the draft Terms of Reference give effect to this.
4. The forthcoming Executive meeting will take a report recommending that work on a local authority bond collective agency should be taken to the next stage. There is already a Task & Finish Group overseeing this work and it will be suggested that this group should continue. An alternative would be to take that work within the new Finance Task Group.

Recommendation

5. Members are recommended to approve the Terms of Reference for the Finance Task group as set out in **Appendix A** to this report.

PROPOSED FINANCE TASK GROUP

TERMS OF REFERENCE

The Task Group will be chaired by the LGA Chairman and its role is, subject to the overarching remit of the LGA Executive:

- to consider issues relating to the financing of local government expenditure;
- to consider issues related to the prevention and detection of fraud against local authorities;
- to establish positions on those issues for the LGA, and
- to oversee the LGA's representational, media, Parliamentary campaigning, and improvement work on those issues.

SUGGESTED PRIORITIES FOR JAN – JUNE 2012

Top priorities for the Task Group in the first half of 2012 will include:

- influencing Parliament's consideration of the Local Government Finance Bill;
- supporting councils as they prepare to implement the provisions of the Bill from April 2013, including the localisation of reliefs from council tax;
- monitoring the strategic impact of reductions in councils' grant income and making councils' case as future government spending plans are developed;
- developing the LGA's position on an equitable model for distributing funding between the nations of the United Kingdom;
- taking forward the LGA's work on infrastructure funding;
- considering the future financing of adult social care, working with the Community Wellbeing Programme Board
- developing the LGA's position on the future funding of schools and services in support for schools, working with the Children and Young People Programme Board;
- developing the LGA's position in relation to the support of member authorities in the prevention and detection of fraud, in the light of the proposed national strategy on local fraud.

The Group will also consider other topical finance issues as they arise and exercise general oversight of the LGA's finance programme.