

## **Proposed changes to LGA Governance structures**

### **Purpose of report**

For decision.

### **Summary**

Earlier this year the Executive and Leadership Board identified the need for a dedicated member body to take responsibility for the local government finance policy. This paper puts forward recommendations developed by the four Group Leaders for a series of changes to our current governance arrangements to take forward finance policy work and to increase the number of members actively engaged in the work of the LGA.

### **Recommendation**

Leadership Board are invited to agree the proposals set out in paragraph 3.

### **Action**

Officers to include proposed changes in the papers to General Assembly

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## **Proposed changes to LGA Governance structures**

### **Background**

1. The current Governance arrangements were established in September 2009 and reviewed in 2010. Since then local government funding, currently within the remit of the LGA Executive, has become increasingly critical. Earlier this year the Executive and Leadership Board identified the need for a dedicated member body to take responsibility for local government finance policy, (as distinct from internal LGA finance which falls within the remit of the Resources Panel). A Finance Task & Finish Group, chaired by the Chairman of the Association and reporting to the Executive, was established as an interim measure.

### **The issue**

2. Group Leaders have now considered the longer term arrangements for finance, in the context of the wider LGA governance arrangements, taking into account
  - 2.1 The importance of the LGA Executive continuing to have overall responsibility for the LGA's work on local government finance.
  - 2.2 The importance of the Chairman of the LGA continuing to be the Association's lead spokesperson on local government finance.
  - 2.3 The availability of staff resources to support additional member structures.
  - 2.4 The need to actively engage more members in the LGA's work.
3. Group Leaders have developed the following set of proposals
  - 3.1 The remit of the Resources Panel to be expanded to include the scrutiny role currently undertaken by the Audit & Scrutiny Panel.
  - 3.2 A new Finance Panel to be created with a remit to cover external local government finance issues, with SRAs as for the Resources Panel.
  - 3.3 A small Audit Committee, comprising one representative from each of the four Groups, to be established to deliver the legal requirements of our company board structure. Given that the Committee would need to meet only infrequently, Group Leaders suggest reimbursement is via a day rate based on the member peer rate.
  - 3.4 Membership of the existing nine Boards to be increased from 14 to 18 places.

### **Financial Implications**

4. The proposed changes will add up to an additional £116,684 to the members' allowances budget, broken down as follows –

36 additional board places		£93,348
Alignment of Finance Panel SRAs	Chair	£7,778
with Resources & Scrutiny Panel	Vice/deputies	£15,558

### **Next steps**

5. Changes to the LGA's formal governance structures require the approval of the General Assembly. Subject to the outcome of the discussion the proposals will be taken forward to General Assembly as part of a wider package of minor changes to the Constitution that includes the addition of the membership scheme for police and crime commissioners and corporate membership scheme for National Park Authorities.