

Item 8

Future of the Leadership Centre for Local Government

Purpose of Report

For decision.

Summary

This report sets out options for the future of the Leadership Centre for Local Government for the Board's consideration.

Recommendation

The LGA Leadership Board is asked to agree the approach outlined in the report.

Action

To take forward as directed by the Board.

Contact officer: Joe Simpson
Position: Principal Strategic Adviser
Phone no: 020 7187 7389
E-mail: joe.simpson@local.gov.uk

Future of the Leadership Centre for Local Government

Background

History

1. The Leadership Centre was established in 2004. Funding was secured from the then Office of the Deputy Prime Minister (ODPM). The funding for the Centre was originally routed via Kent County Council, and then Westminster City Council, before being routed via the IDeA. In July 2009 the Centre moved into the LGA and its staff employed via the LGA. Following the Getting Closer process, many of the Centre's staff were assimilated into posts within the LGA structure and a number of its programmes are now undertaken by the LGA Leadership and Localism team.

Structure

2. Unlike the other bodies in the (then) LG Group, the Leadership Centre is a registered charity. In securing its registered charitable status, the Centre also secured the agreement of the Charity Commission that the Centre could work within the different political traditions of the political groups within the LGA, as long as the overall effect of the work was politically neutral. This enabled the Centre to undertake initiatives such as the Next Generation Programme. Charitable status however also brings wider ramifications. The Centre is not, and legally cannot be "controlled" by the LGA, nor can the LGA "determine" the membership of the board. The Centre has not insignificant reserves (nearly £1million). The board is chaired by Lord Peter Smith, the Leader of Wigan and the Chair of AGMA/GMCA. The rest of the board comprises of a mix of politicians and local authority chief executives, as well as the chief executives of London Councils and CIPFA. The board has sought legal advice about how it should decide its future. That advice is fairly clear, which is that no one with an interest in any other interested organisation would be able to vote on such a decision. To date the Centre has operated in a fairly consensual way at board level, and so it would be good to try and continue so doing.
3. The Board is keen to see the Centre continue to do some work, but is also keen to do so with the agreement of the LGA. If we look at the options along a spectrum we could broadly define the extremes as follows:

Item 8

Closure of the Centre

4. The argument for this would be that having decided a new structure for the LGA, there is now no role for the Centre. Whilst there may be some advocates for this position there would remain the following difficulties:
 - 4.1 That is not the view of the Centre's trustees- whose decision it would have to be.
 - 4.2 There still would remain the question of the Centre's reserves (where our aspiration should be to ensure maximum benefit to local government through a spend pattern which complements that of the LGA).
 - 4.3 Closing a charity is not an easy process, so even if this were the preferred solution, the route to achieving it would probably be via a merger with another charity.

Fully stand alone charity

5. Under this option the LGA would wish the Centre well and the trustees would be free to pursue agreed goals. Again whilst there may be some advocates of this position that too creates difficulties.
 - 5.1 It is unclear from where any future funding for the Centre might come, and to the extent that any such funding might be forthcoming that might be in competition with the LGA to secure such funding.
 - 5.2 There would be no synergy between LGA activities and the activities undertaken by the Centre.
 - 5.3 There would be no guarantee that the work would not be duplicated.

A new and more tightly defined role for the Centre?

6. If options 1 and 2 have significant downsides, is there a different role the Centre might play? Having created the new LGA structure, now would not be the time to recreate the Centre as was. An argument for the old Centre was that it was able to take initiatives, by having greater flexibility than the LGA. However programmes such as Next Generation, Be a Councillor and Leeds Castle are now being delivered

Item 8

in the new structure and can no longer be regarded as at “proof of concept stage”, so it is difficult to see what specific advantage would accrue by disconnecting those programmes from the new LGA structure.

7. There are however some issues where there may well be an advantage to the LGA in having delivery through an organisation at slight arms length from the LGA. Three particular issues highlight such possibilities:

- 7.1 Issues where it is difficult for the LGA to agree a line.

- 7.1.1 The most recent illustration of this might be directly elected mayors. Authorities with directly Elected Mayors are in membership of the LGA, but it would be fair to say that the LGA has been perceived to be sceptical at minimum about their role out. A second illustration would be Police and Crime Commissioners (PCCs), where, prior to the legislation being passed, the LGA was not in a position to actively engage in the debate.

- 7.2 Future agendas.

- 7.2.1 An example of this might be the politics of austerity. We know that for the foreseeable future local government is going to have to operate in an environment of much restricted budgets, but still with many areas of growing demand (not just adult social care, but also childcare and education in many urban areas). The LGA’s job will be to argue local government’s case for the maximum resources possible. The Centre therefore could provide the space to “think the unthinkable”, and construct some what if scenarios.

- 7.3 Working across the public sector.

- 7.3.1 We know from the Total Place experience that one of the reasons for the failure to make a radical realignment of funding was that our position was *perceived* to be “give us the money and let us make the decisions”. We have seen with the proposals for support for elected PCCs that again Home Office officials *perceive* a conflict of interest. In these negotiations, perception can be reality. If we are successful with Whole Place and with PCCs we will have a major development programme requirement across public

Item 8

services. There may be an advantage in offering to develop these through an arms length charity, rather than directly be the LGA. So, for example, were there to be a Leeds Castle equivalent for PCCs and Chief Constables, to secure the buy in of the latter in particular, proposing delivery through a charity such as the Leadership Centre might produce a much more positive response from Chief Constables in particular.

7.3.2 As we move towards more collaborative arrangements, one of the key issues to be addressed will be better forms of governance. We have seen the emergence of combined authorities (e.g. in Greater Manchester) but we will now also need to see what would be appropriate once we also have PCCs, CCGs etc.

7.3.3 If we contrast the above items with the work previously done by the Leadership Centre we could describe the above all as “what next” questions, whilst the previous work was more a mixture of innovation and improvement (and as such inevitably meant there was potential confusion with what was done by the then IDeA).

7.4 More work within the different political traditions.

7.4.1 The Centre did a number of projects working within the different political traditions. That aspect of its work barely features in the new LGA work plan and sits least well within the LGA with its emphasis on cross party collaboration.

A new governance?

8. Any new role for the Centre would still raise questions of governance, and in particular the relationship between the LGA and the Centre. The below principles are suggested as a possible way forward.

8.1 A board comprising both of elected politicians and senior officers.

8.1.1 Projects such as Leeds Castle depended on the equal engagement of chief executives. This was represented in the membership of the board. That principle should continue (but perhaps with officers from local public service and not just local government). Historically the Board has also had one private sector representative.

Item 8

- 8.2 An annual business plan jointly agreed by the LGA and the Leadership Centre.

8.2.1 Having secured coherence through the restructuring the LGA must not lose it through the back door. Having an agreed annual plan (produced in tandem with the overall) business plan for the LGA would ensure continued coherence.

- 8.3 The LGA would be the primary commissioner of work undertaken by the Leadership Centre.

- 8.4 The LGA Leadership Board should be the commissioning body.

8.4.1 Under the previous remit, the Improvement Board was the prime interface with the LGA structure (and the then Chairman of the Improvement Board sat on the board of the Leadership Centre). But with a sharper focus on a “what next” agenda, the best link for the Centre would be with the Leadership Board.

An example of how this might work

9. The LGA Leadership Board met with SOLACE recently. It was agreed that we should explore further collaboration. It is proposed that there be a joint LGA/SOLACE away day to look at the potential shape and role of local government through to 2020. It is suggested that this take place in early September, and the Leadership Centre asked to construct and facilitate the day.