

Note of last LGA Leadership Board meeting

Title: LGA Leadership Board
Date: Wednesday 6 June 2018
Venue: Smith Square 1&2, Ground Floor, 18 Smith Square, London, SW1P 3HZ

Attendance

An attendance list is attached as [Appendix A](#) to this note

Item Decisions and actions

1 Apologies and Declarations of Interest

Apologies for absence were received from Lord Porter of Spalding CBE and Cllr Sue Murphy CBE.

Cllr Izzi Seccombe OBE declared an interest in Item 5 as her husband is a Police and Crime Commissioner.

2 Local Elections and LGA Political Balance 2018/19

Claire Holloway, Head of Corporate Services, introduced the report which set out the LGA proportionality for 2018/19 following the local elections in May 2018. The report included the implication of the proportionality on the distribution of seats amongst the political groups on the LGA's governance structures.

Decision

The LGA Leadership Board **endorsed** the proportionality figures for the 2018/19 meeting year.

3 LGA President and Vice-Presidents 2018-19

Lee Bruce, Head of Public Affairs and Stakeholder Management, introduced the report which set out the Members of the House of Commons, House of Lords, and European Parliament that the LGA would be inviting to be honorary Vice-Presidents for the 2018/19 parliamentary session. It also invited the Leadership Board to endorse the nomination of Lord Kerslake as President of the LGA for a further year. The President would be formally elected at the LGA's General Assembly on 3 July 2018.

Members noted that, in addition to the list of Vice-Presidents provided, the Labour group wished to nominate Lord Bassam of Brighton to be a Vice-President.

Decision

The LGA Leadership Board:

- a) **Endorsed** the nomination of Lord Kerslake as President of the LGA for a further year; and

- b) **Noted** the nominations of Vice-Presidents by the four political groups.

4 2018 Annual Report of the Audit Committee

Sarah Pickup, Deputy Chief Executive, introduced the report which provided an overview of areas reviewed and work undertaken by the Audit Committee in 2017/18, in accordance with the Committee's terms of reference. The Audit Committee had agreed the report at their meeting on 4 June 2018.

Members noted that, following a successful tendering exercise in May 2018, TIAA had been re-appointed as the LGA's internal auditor for a further three years from July 2018.

In response to a question on the LGA's property companies and tenancies at 18 Smith Square, it was confirmed that the first floor was now fully let to Local Partnerships and the National Farmers Union. Snagging issues on floors two and three had been resolved and the remaining two lettable floors were now being actively marketed.

Decision

The LGA Leadership Board **endorsed**, and commended to the General Assembly, the 2018 Annual Report of the Audit Committee.

5 LGA Associate Membership

Claire Holloway, Head of Corporate Services, introduced the report which updated the Leadership Board on the LGA's Associate members and sought agreement to include a broad provision for Associate schemes in the supporting Governance Framework to the Articles of Association of the new company.

Members noted that provision for Associate membership of the LGA was in the current Constitution, but to avoid Associate members sharing in the unlimited liability of the new company, the provision was excluded from the new Articles of Association. Members agreed that the approach to include associate members in the Governance Framework was right and would encourage more of the local government family to join the LGA.

It was requested that the Associate scheme for Police and Crime Commissioners, including those with responsibility for the fire and rescue service, be circulated to the Leadership Board for information.

Decision

The LGA Leadership Board:

- a) **Approved** the additional section on the LGA's Associate scheme set out in the report to be included in the governance Framework of the new LGA company; and
- b) **Endorsed** the Hertfordshire Police and Crime Commissioner's application for Associate membership of the LGA under the agreed PCC scheme.

Action

LGA Associate schemes for PCCs and PCCs with fire and rescue responsibility to be circulated to the Leadership Board (**Claire Holloway**).

6 LGA Group Consolidated Financial Statements for the Year to 31 March 2018

Jonathan Gratte, Strategic Finance Manager, and Alastair Duke, Partner at PKF Littlejohn LLP, introduced the report which set out the consolidated financial statements for the LGA Group for the year ended 31 March 2018. The LGA group included the LGA, IDeA, LGA (Properties) Ltd, LGMB Ltd, and LGA Commercial Services Ltd. The financial statements were included for the Leadership Board to agree prior to consideration by the General Assembly on 3 July 2018.

Following the meeting of the Audit Committee on 4 June 2018 the LGA had received an unqualified audit opinion by PKF Littlejohn, the LGA's external auditor. Alastair Duke highlighted particular risks, control measures and adjustments which had been identified as part of the audit, and reported that it had been an efficient audit process.

In the discussion which followed, Members raised the following points:

- It was requested that a paper be considered at a future meeting of the Leadership Board on organisations which still had interests in the 18 Smith Square building, i.e. the Association of County Councils, the Association of District Councils, and the Association of Metropolitan Authorities.
- One member asked if further information could be provided on the ability of PSAA, a subsidiary of the LGA, to undertake work for other parts of local government, e.g. London Councils, and how this could impact on LGA and PSAA work streams. Officers would look into the issue and respond outside of the meeting.

Decision

The LGA Leadership Board:

- a) **Agreed** the LGA consolidated financial statements and approved their submission for adoption at the General Assembly on 3 July 2018;
- b) **Reviewed** the financial statements for IDeA, LGMB, LGA(P) and LGA CS;
- c) **Reviewed** the external auditors' report; and
- d) **Approved** the Representation letter.

7 Performance Reporting 2017/18: Six Month Monitoring Report

Claire Holloway, Head of Corporate Services, introduced the report, which presented a summary of the LGA's performance against its Business Plan and internal priorities over the period 1 October 2017 to 31 March 2018.

Members noted that the report had been agreed by the Audit Committee on 4 June 2018.

Decision

The LGA Leadership Board **approved** the six-month monitoring report.

8 LGA Annual Conference and Exhibition 2018

David Holdstock, Director of Communications, introduced the report which updated the Leadership Board on progress made with arrangements for the LGA Annual Conference and Exhibition taking place in Birmingham between 3-5 July 2018.

Members noted that there was an equal gender balance of speakers across the

plenaries, workshops and the Innovation zone. There were more Secretaries of State and Ministers than in previous years, but the political balance in speakers was in line with the political balance of the LGA.

In response to a question on NHS70, the celebration of 70 years of the NHS which would take place during the LGA conference, it was highlighted that the Secretary of State for Health and Adult Social Care had declined an invitation to attend the conference, and it had not been possible to host an NHS choir to open the conference. As part of the national celebrations there will be an NHS70 Tea Party on the afternoon of Wednesday 4 July.

Regarding the sessions on the centenary of women's suffrage, members supported the idea to particularly highlight that women had been able to vote in local elections for longer than they had been able to in General Elections, and had been able to stand as councillors before they had been able to stand as MPs.

Decision

The LGA Leadership Board **agreed** the final programme and activities for the LGA Annual Conference and Exhibition 2018.

9 Fair Funding Review and Business Rates Retention Update

Nicola Morton, Head of Local Government Finance, introduced the report which updated the Leadership Board on progress on the Fair Funding Review and Business Rates Retention reform, and the LGA's work on these areas.

Members noted that the template for evaluation of future Fair Funding Review proposals had been finalised and adopted, and would be used to assess new proposals which emerged as part of the Review. Separate to this, the University of Essex had published a working paper on its work on updating data used in the 2013/14 funding baselines, which now included data from the schools census which had been included in the formulae. As such the divergence of relative needs was greater than previously presented to the Leadership Board and the Task and Finish Group, but reinforced the decision to use population projections in the formulae.

Work on the commissioning process for an analysis of options for implementing the transition of funding allocations from one pattern to another had begun, and the commissioning of a transition model would commence shortly.

On Business Rates Retention, work was underway to commission a business rates retention model to enable the effect of possible systems design changes to be estimated, and Members would be updated again on this in due course.

At the last meeting Members had been informed that an error in calculating the size of allocations of the specific grant to compensate local authorities for caps of the business rates multiplier. As a result of this an independent review of the business rates process would be undertaken. A prospectus inviting authorities to become pilot areas in 2020 was expected, and officers were looking at what could be learnt from the current pilots.

In the discussion which followed, Members raised the following points:

- Regarding the Public Health Grant funding formula, which was consulted on but never used by the Department for Health and Social Care, it was requested that the formula be circulated to Members.

- There was a strategic consideration to be made on how to take the LGA's work on these issues forward, with good evidence of why things should be done at local level.
- It was suggested that whilst this issue was important there is a more immediate issue to address for those authorities who received negative RSG, and that the LGA should be more active in seeking a resolution to this issue.
- The LGA would also respond to a consultation on system design, including resets, in the autumn. The Government would set out the structure and foundation formulae. The system design side would set out how to deal with appeals, splits, and proposals for how often the rest should be.

Decision

The LGA Leadership Board **noted** the report.

Action

Further details on the Public Health formulae to be circulated to Members following the meeting (**Nicola Morton**).

10 National Association of Police, Fire and Crime Panels – Application to form a Special Interest Group

Claire Holloway, Head of Corporate Services, introduced the report which set out the application from the National Association of Police, Fire and Crime Panels to form an LGA Special Interest Group (SIG). This SIG would aim to further the specific interests of Police, Fire and Crime Panels. It was noted that both the current LGA Constitution and the new company Articles of Association allowed the provision for SIGs to be formed.

Decision

The LGA Leadership Board **approved** the application to form a Police, Fire and Crime Panels Special Interest Group.

11 Chief Executive's Report - June 2018

Mark Lloyd, Chief Executive, introduced the report which set out the LGA's main achievements against the Business Plan since the last meeting in April 2018. He drew particular attention to: Committee of the Regions successor arrangements following Brexit, the LGA's successful campaign to reduce stakes on fixed odds betting terminals to £2, work with new administrations and Leaders following the local elections in May 2018, and the recognition of the National Graduate Development Programme by the Guardian as 25th in their list of the best graduate programmes in the country.

In particular Members noted the LGA's successful lobbying to ban combustible materials in cladding on high-rise residential buildings following the publication of the Hackitt Review, as well as the £400 million announced by the government to be made available to councils and housing associations to fund the removal of cladding. Particular recognition was given to the work of the Chairman on this matter.

Members also noted that the Adult Social Care (ASC) Green Paper was expected to be published in June 2018, and the LGA's focus would be on lobbying for funding to properly fund ASC. It was anticipated that any additional funding announced by the Government for the NHS would not include funding for sustainable ASC. The LGA was continuing to lobby Ministers and Civil Servants at the Department of Health and Social

Care, and work with NHS colleagues to make a combined approach.

Members were updated on the latest numbers of councils signed up to the new incorporated association and group leaders agreed to follow up with councils who had not yet done so. Members agreed to delegate to the Chairman and group leaders the decision about what proportion of councils must be signed up before the unincorporated association is dissolved.

Decision

The LGA Leadership Board **noted** the Chief Executive's Report for June 2018.

12 LGA Forward Plan

The Chair introduced the Forward Plan, which set out the agendas for the LGA Leadership Board, LGA Executive, and the Councillors' Forum for the next three months.

Decision

The LGA Leadership Board **agreed** the Forward Plan.

13 Note of the last meeting

Decision

The LGA Leadership Board **agreed** the minutes of the previous meeting held on 11 April 2018.

14 Note of the last Commercial Advisory Board

Decision

The LGA Leadership Board **noted** the minutes of the previous meeting of the Commercial Advisory Board held on 3 April 2018.

15 Spending Review 2019 - High Level Proposals

Sarah Pickup, Deputy Chief Executive, introduced the report which provided a summary of the high level messaging the LGA could adopt in its 2019 Spending Review work, and work which had already commenced. The Leadership Board were invited to comment and provide direction, prior to further consideration by the LGA Executive the following day.

There followed a confidential discussion.

Decision

The LGA Leadership Board **commented** on the suggested high-level messaging for the LGA's Spending Review activity.

Action

Comments from the Leadership Board to be taken into account when finalising high-level message objectives, and the detailed Spending Review campaign plan (**Sarah Pickup**).

16 The APCC and implications of possible recognition on the Employers' Side of the NJC for Local Authority Fire and Rescue Services

Simon Pannell, Principal Adviser for Employment and Negotiations, introduced the report which set out how the changing landscape for fire governance could impact on the LGA's position as the single English stakeholder on the Employers' side of the UK-wide National Joint Council (NJC), and set out the potential impact on the relationship between the LGA and individual Police and Crime Commissioners (PCCs) who assumed responsibility for fire and rescue services.

Cllr Nick Chard, Chairman of the Employers' side of the NJC provided the Leadership Board with his perspective on a preferred solution to the issue.

There followed a confidential discussion.

Decision

The LGA Leadership Board agreed a way forward on the matter, based on the options presented in the report.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chair	Cllr Nick Forbes	Newcastle upon Tyne City Council
Vice-Chairman	Cllr David Simmonds CBE	Hillingdon London Borough Council
	Cllr Howard Sykes MBE	Oldham Metropolitan Borough Council
	Cllr Marianne Overton	Lincolnshire County Council
	MBE	
Deputy-chairman	Cllr Peter Box CBE	Wakefield Metropolitan District Council
	Cllr Michael Payne	Gedling Borough Council
	Cllr Lib Peck	Lambeth London Borough Council
	Cllr Ruth Dombey OBE	Sutton London Borough Council
	Cllr Sean Anstee	Trafford Metropolitan Borough Council
	Cllr Paul Carter CBE	Kent County Council
	Cllr Peter Fleming OBE	Sevenoaks District Council
	Cllr Izzi Seccombe OBE	Warwickshire County Council
Apologies	Lord Porter of Spalding CBE	South Holland District Council
	Cllr Sue Murphy CBE	Manchester City Council
In Attendance	Cllr Nick Chard	Kent County Council