

Note of last LGA Leadership Board meeting

Title:	LGA Leadership Board
Date:	Thursday 7 December 2017
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

No declarations of interest were made.

Apologies were received from Lord Porter of Spalding CBE, Cllr Paul Carter CBE, Cllr Izzi Seccombe OBE, Cllr Sean Anstee, Cllr Sue Murphy CBE, and Cllr Lib Peck.

2 Centre for Public Scrutiny: Annual Report 2016/17

The Senior Vice-Chair welcomed Lord Kerslake, Chair of the Centre for Public Scrutiny (CfPS), and Jacqui McKinlay, Chief Executive of the CfPS, to the meeting to present the CfPS annual report for 2016/17.

Lord Kerslake presented the report and highlighted that CfPS had undergone a lot of change at both Board and Executive level over the year, but the core of the work in supporting local authority scrutiny had not changed. The report set out the charity's key areas of focus, the work delivered and outcomes achieved. Particular reference was made to the activity around scrutiny of Sustainability and Transformation Partnerships (STPs) and their implications for local authorities, as well as work generally on health scrutiny, housing, and the role of local government in Brexit.

In the following discussion, Members endorsed the work of CfPS and asked a number of questions relating to information sharing on scrutiny in Government departments, Health and Wellbeing Boards, and the importance of scrutiny being collaborative whilst still holding decision makers to account.

The Leadership Board expressed their thanks to the CfPS for their report, and for a successful year.

Decision

The LGA Leadership Board **noted** the annual report and the performance of CfPS in 2016/17.

3 2017 Autumn Budget

Sarah Pickup, Deputy Chief Executive, introduced the report which summarised the key announcements in the Chancellor's Autumn Budget with implications for local government, and LGA work on the Budget including the On the Day Briefing.

Members noted that a package of proposals had been announced on housing, which were intended to result in a net additional 300,000 homes built each year by 2022, including an opportunity for councils to access additional HRA borrowing from 2019/20 up to a total value of £1 billion.

In the discussion which followed the following points were raised by Members:

- It was disappointing that there had been no announcements on Adult or Children's Social Care, measures to address the costs of implementation of the National Living Wage and changes to the bottom of the pay scale, the funding cap in council core services, and EU funding.
- Work on the On the Day Briefing was commended, and this had led to a great deal of media activity, and the LGA's response being quoted widely in Parliament.
- Members stated that, as with all LGA work, any lobbying or activity around the Budget should continue to be undertaken on a cross-party basis. Lobbying on the Local Government Finance Settlement would be the focus for the organisation over the coming weeks.
- Regarding the announcement that there could be intervention in areas where a local authority had failed to put an up-to-date local plan in place, it was confirmed that 27 local authorities did not currently have a local plan.
- The LGA would continue to state the view the local authorities should be part of the solution to the housing crisis.

Decision

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

4 The Fair Funding Review and Business Rates Retention

Nicola Morton, Head of Local Government Finance, introduced the report which provided a progress update on the Government's Fair Funding Review and Business Rate Retention reforms, including an update on the LGA's work on these areas of work.

Members noted that the Government had not yet published an expected consultation on the Fair Funding Review, however the work of the DCLG / LGA officer level technical working group had resumed, and had recently considered how to take council tax into account in the funding formula. Local Government Futures had been commissioned to develop a Children's Social Care formula. The Government had commissioned work on a new Adult Social Care formula a few years ago which could form the basis of a new formula.

Regarding work on business rates retention, Members noted that the joint DCLG / local government officer Steering Group met for the first time since the General Election on 3 October 2017 and then again in December. They had considered possibilities around implementation of further business rates retention without primary legislation, and the possible timetable for this as the earliest implementation date was now 2020/21. There had been no official comment on business rates retention in the Chancellor's Budget

apart from confirming the London pilot, but there was a possibility of some further information and announcement of further pilots when the Local Government Finance Settlement was published later in December.

Decision

The LGA Leadership Board **noted** the updates provided in the report.

5 Performance Reporting - April to September 2017

The Senior Vice-Chair introduced the report which presented a summary of the LGA's performance from April to September 2017.

Decision

The LGA Leadership Board **reviewed** and **noted** the LGA's 6 month performance report.

6 Appointments to Outside Bodies for 2017/18

The Senior Vice-Chair moved the report which listed the outside bodies to which the LGA appointed members for the 2017/18 meeting cycle.

Members commented that the list of bodies should be regularly reviewed to ensure that they had an AGM and were not dormant.

Decision

The LGA Leadership Board **noted** the list of outside bodies and representatives which the LGA had appointed to the 2017/18 meeting year.

7 Chief Executive's Report - December 2017

Mark Lloyd, Chief Executive, introduced the report which set out the LGA's main achievements against the Business Plan priorities since the last meeting in October 2017. He drew particular attention to the recent Smith Square Debate on Brexit; the Government's invitation to the LGA to be part of an advisory group on rough sleeping and homelessness; local government pay negotiations; and work on winter pressures in social care and health.

Decision

The LGA Leadership Board **noted** the Chief Executive's report for December 2017.

8 LGA Forward Plan

Decision

The LGA Leadership Board **agreed** the forward plan.

9 Note of the last Leadership Board

Decision

The LGA Leadership Board **agreed** the minutes of the previous meeting on 18 October 2017.

10 Note of the last Commercial Advisory Board

Decision

The LGA Leadership Board **noted** the minutes of the previous Commercial Advisory Board held on 16 October 2017.

11 Note of the last Audit Committee

Decision

The LGA Leadership Board **noted** the minutes of the previous Audit Committee held on 20 November 2017.

12 Campaigns for 2017/18

David Holdstock, Director of Communications, introduced the report which outlined a plan for the LGA's corporate campaigns for 2017/18 in line with the Business Plan and corporate priorities.

The proposed campaigns were based on priority areas outlined in the Growing places publication, and included Brexit; sustainable funding for local government; children's social care and mental health; Work Local; housing; social care; Up to Speed; and return to social work.

Decision

The LGA Leadership Board **noted** and **approved** the LGA's 2017/18 campaign plan.

13 New Local Government Mutual: Proposed Next Steps

Sally Burlington, Head of Policy, introduced the report and provided an update on the LGA's work to develop options for a Local Government Insurance Mutual and sought agreement for further work. It was explained that the Resources Board had also considered the report as the lead Board for the Mutual.

Members noted the various issues regarding the Founding Members and the Board composition and draft Constitution and Articles of Association for the Mutual. They also supported the Resources Board's recommendation that the Mutual should be called the Local Government Mutual (LG Mutual).

Decision

The LGA Leadership Board:

- i) **Noted** the update and outcome from the first meeting of the Founding Members;
- ii) **Provided a steer** on the LGA's stance on the constitutional issues raised by the first meeting of the Founding Members, and **agreed** the draft Articles of Association (subject to the necessary changes and any further legal advice);
- iii) **Agreed** that the LGA should incorporate the new Local Government Mutual, which other Founding Members would then formally join; and
- iv) **Agreed** the Frequently Asked Questions.

Action

Further work on the Mutual to be taken forward in line with Members' steer. (**Sally Burlington**).

14 Incorporation of the Local Government Association

Claire Holloway, Head of Corporate Services, introduced the report which set out draft Articles of Association and a supporting Governance Framework for the new incorporated Local Government Association which had been prepared by company law specialists at Bevan Brittan.

Members noted the timetable for securing the agreement of member councils to sign up to the new company, and the recommendation that the full Leadership Board become the new Board of Directors. Following agreement by the Leadership Board, agreement would be sought by the General Assembly at the next meeting in July 2018.

Decision

The LGA Leadership Board:

- i) **Approved** the draft Articles of Association and Governance Framework of the new incorporated LGA;
- ii) **Agreed** that the Directors of the company should be the Chairman, Vice and Deputy Chairs of the Association, subject to the endorsement of the General Assembly;
- iii) **Agreed** to invite the home councils of the Chairman and Group Leaders to be the Founder Members of the company; and
- iv) **Agreed** the process and timetable for implementation.

Action

Home councils of the Chairman and Group Leaders to be invited to become Founder Members of the new company as agreed. (**Claire Holloway**).

15 UKMBA Way Forward

Sarah Pickup, Deputy Chief Executive, introduced the report and explained that Westminster City Council had made a formal decision to lend £20 million to the LGA and to borrow the same sum from the UK Municipal Bonds Agency (UKMBA).

Members noted that following this the UKMBA was in a position to issue its first bond, which would amount to £55 million. Following the Leadership Board's agreement a letter of comfort would be provided to support UKMBA in seeking a rating for the first bond.

Decision

The LGA Leadership Board **agreed** to provide a letter of comfort for the UKMBA.

Action

Letter of comfort to be provided to UKMBA (**Sarah Pickup**).

16 Investment Property Financing Resolution

Sarah Pickup, Deputy Chief Executive, introduced the report and explained that the LGA had finalised the legal negotiation for a 15 year loan Facility Agreement with Westminster City Council for £20 million.

Members noted that Westminster City Council had agreed to back the Loan with the initial bond issued by the Municipal Bonds Agency (MBA). The Loan would be secured on the Layden House property.

Decision

The LGA Leadership Board:

- i) **Approved** the terms of, and the transactions contemplated by, the Westminster City Council Loan Finance Documents to which it is party and resolved that it execute, deliver and perform the Finance documents to which it is party;
- ii) **Authorised** the LGA Chairman to execute the Westminster City Loan Finance Documents to which it is a party on its behalf;
- iii) **Authorised** the LGA Chairman, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Westminster City Council Loan Finance Documents to which it is a party; and
- iv) **Authorised** the LGA Chairman, on its behalf, to sign the required Certificate.

17 Application from Essex PCC to join the LGA Associate Scheme

Claire Holloway, Head of Corporate Services, introduced the report and explained that the Essex Police and Crime Commissioner (PCC) had applied to join the LGA Associate membership scheme. Members noted that the Essex PCC was the first PCC to apply to join the LGA.

Decision

The LGA Leadership Board **accepted** the Essex Police and Crime Commissioner's application to join the LGA's Associate scheme.

Action

Officers to respond to the Essex PCC and progress the application in line with the Leadership Board's decision. (**Claire Holloway**)

Appendix A -Attendance

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