

Note of last LGA Leadership Board meeting

Title: LGA Leadership Board
Date: Wednesday 7 March 2018
Venue: Smith Square 1&2, Ground Floor, 18 Smith Square, London, SW1P 3HZ - 18 Smith Square

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 for absence were received from Cllr Izzi Seccombe OBE.

2 Brexit: Update Report

Cllr Kevin Bentley, Chairman of the LGA's Brexit Task and Finish Group, introduced the report which provided a detailed update on the LGA's work on Brexit to date. He highlighted that he had attended various conferences to discuss the LGA's work, as well as the MHCLG Select Committee where a large part of the Chair's response to the Secretary of State included issues raised by the LGA.

He highlighted that lobbying work, at a political level, should now be increased in order to ensure that local government was not forgotten about in the negotiation process, and to maintain regular liaison with the Government on all aspects including local governments rights and responsibilities in the EU which should be transferred back to the UK. Cllr Bentley informed members about his future engagement with Government.

In the discussion which followed Members raised the following points:

- Cllr Bentley and the Task and Finish Group were thanked for leading the LGA's work on Brexit. Members highlighted the vital need for cross party consensus on lobbying was maintained in order to get the best possible deal for local government.
- Regarding public procurement through the OJEU process, it would also be important to get clarity as we approach Brexit in order to reassure member councils who would be considering new contracts.
- The EU negotiating position was that EU rules and procedures on contractual agreements would apply until the day the UK left the EU, but the UK negotiating position was unclear. The LGA had asked for the process to be streamlined. Currently, 1.7% of public contracts were awarded to companies based outside the UK.

- A delegation of representatives of Core Cities had recently met with Michel Barnier, the EU's chief Brexit negotiator. He was sympathetic to continued partnership, but was clear the local government should encourage the Government to adopt that view.

Decision

The LGA Leadership Board **noted** the updates in the report and **agreed** the need for continued lobbying at a political level.

3 Fair Funding Review and Business Rates Retention

Sarah Pickup, Deputy Chief Executive, introduced the report which updated Members on progress of the LGA's work related to business rates retention and the Fair Funding Review, and in particular included the LGA's draft response to the Government's consultation on assessment of relative needs as part of the Fair Funding Review.

Members noted the work and discussions which had recently taken place at the Business Rates Retention LGA / MHCLG steering group, the Fair Funding Review technical working group, and the LGA's Business Rates Task and Finish Group. There had also been a series of regional workshops to allow councils to have their say on the Fair Funding Review consultation.

Responses to the Fair Funding Review consultation were due by 12 March 2018, and a draft response had been prepared, subject to the views of the LGA Leadership Board and the LGA Executive. In particular it was highlighted that the draft responses to questions 8, 10, and 20 would potentially constitute new LGA policy: the response to question 8 called on the Government to consider population density (where effects were over and above deprivation, daytime and student populations; the response to question 10 suggested that cost pressures which were material for a small number of local authorities, but not a significant part of local government spending at a national level, should be dealt with outside of the Fair Funding Review; and the response to question 20 suggested that the results of any statistical analysis should be sense-checked by service delivery experts as well as a wider independent assurance process on the working of the model.

The response also highlighted that there was a need for a new Comprehensive Spending Review (CSR), as the current spending review period and four year settlement offer both expired from April 2020, so current financial planning beyond 2020 was uncertain. It also highlighted the need for transparency, as well as simplicity and accuracy.

In the discussion which followed Members made the following points:

- The report and the consultation response provided positive ways in which concerns of different types of council could be addressed, but the current level of funding was not commensurate with the level of demand for funding of front-line services. The LGA should collectively ensure that the new system was evidence based and would allow for sensible growth.
- Members discussed various methods of making the case to the Government, including the possibility of making the argument that the overall quantum of funding was insufficient before continuing discussions on Fair Funding. The comments on the quantum could be strengthened in the response, but the LGA

continued to lobby on the funding gap, and the importance of services which could be lost without full funding.

- The LGA should be lobbying on the next CSR as a priority to ensure there was an appropriate level of funding for the sector as a whole, alongside discussions on how to distribute money through the system. Work in particular service areas had already begun, and the LGA continued to work with partner organisations across the sector.
- The LGA could do some additional media work and work in Parliament on why valued front-line services need more funding. This would be a more relatable and engaging message to the Government and to the public.

Decision

The LGA Leadership Board:

- a) **Noted** the report;
- b) **Approved** the LGA's response to the Government's consultation on the Fair Funding Review, subject to comments above and the views of the LGA Executive; and
- c) **Agreed** the final sign-off procedure as set out in the report.

Action

Comments from the LGA Leadership Board and the LGA Executive to be taken into account in the final draft of the consultation response.

4 Chief Executive's Report - March 2018

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 January 2018. He drew particular attention to: the list of councils currently on notice to leave the LGA, and recent statements on housing by the Prime Minister and the Secretary of State for Housing, Communities and Local Government.

Members noted that the LGA had given a robust response to the Government's recent housing announcements, making the case that the Treasury should remove restrictions on borrowing to allow local authorities to build more homes. A further briefing on the issue would be provided to councils later in the week.

Decision

The LGA Leadership Board **noted** the Chief Executive's report for March 2018.

5 LGA Forward Plan

The Chairman 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.

Members discussed how ongoing work through various meetings and through media activities could further improve the reputation of local government. It was agreed that the language used to explain what local government delivered should be changed to reflect the smaller scale impacts on residents should the funding gap continue to widen. This would be taken into account in future campaigns and work across all areas.

Decision

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

6 Note of the last meeting

Decision

The LGA Leadership Board **agreed** the minutes of the previous meeting held on 24 January 2018.

7 Note of the last Commercial Advisory Board

Decision

The LGA Leadership Board **noted** the minutes of the previous Commercial Advisory Board held on 15 January 2018.

8 LG Group Budget 2018/19

Jonathan Gratte, Strategic Finance Manager, introduced the report which included the detailed proposed Budget for 2018/19, which allocated resources to enable the delivery of the LG Group's priorities as set out in the latest Business Plan.

Members noted that the Budget would not be finalised until the level of grant funding from the Ministry of Housing, Communities and Local Government and the Department of Health had been confirmed. Following this it was recommended that the Chairman and Group Leaders receive delegated authority to make any necessary budgetary adjustments, in consultation with the Deputy Chief Executive.

There followed a confidential discussion.

Decision

The LGA Leadership Board:

- a) **Agreed** the LGA's budget for 2018/19 prior to recommendation to the LGA Executive;
- b) **Agreed** that the budget for 2018/19 should be published once the MHCLG and Department of Health funding was confirmed for the year, with the Three Year Financial Plan remaining an internal confidential document; and
- c) **Delegated** approval to make necessary budgetary adjustments to reflect the final grant notification from MHCLG to the LGA Chairman and Group Leaders, in consultation with the Deputy Chief Executive.

9 Treasury Management Annual Report

Jonathan Gratte, Strategic Finance Manager, introduced the report which set out the LGA's Treasury Management investment performance for the year to 31 December 2017. The report also proposed changes to the LGA Treasury Management policy, which would reduce the restrictions on the term and type of investments available to improve the potential investment yield whilst remaining low risk to the organisation.

There followed a confidential discussion.

Decision

The LGA Leadership Board:

- a) **Noted** the LGA's annual Treasury Management performance for the year to 31 December 2017; and
- b) **Approved** the proposed changes to the LGA Treasury Management policy.

10 LGA Annual Conference and Exhibition 2018

David Holdstock, Director of Communications, introduced the report which provided an update on progress made to date with the arrangements for the LGA Annual Conference and Exhibition taking place in Birmingham from Tuesday 3 July to Thursday 5 July 2018.

Members noted that a number of high profile guest speakers had been confirmed, and others had been invited and not yet confirmed. The current number of delegates who had signed up to attend and the current level of sponsorship was discussed.

The need for speakers across the programme to be balanced according to gender and political affiliation, as well as a greater level of BAME representation, was highlighted. Members also noted that more councillors would be invited to speak at sessions across the conference, as well as sharing best practice in the Innovation Zone.

Decision

The LGA Leadership Board **approved** the emerging programme and activities for the 2018 Annual Conference.

Appendix A -Attendance

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