

Note of last LGA Executive meeting

Title:	LGA Executive
Date:	Thursday 10 December 2015
Venue:	Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

An attendance list is attached as **Appendix A** to this note

Item	Decisions and actions	Action
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Welcome and Congratulations

The Chairman welcomed Mark Lloyd, Chief Executive, to his first meeting of the LGA Executive since he joined the LGA in November 2015.

The Chairman also congratulated Cllr Jim McMahon, Vice-Chair of the LGA and Leader of the Labour Group, on his election to the House of Commons following the recent Oldham and Royton by-election.

1 Declarations of Interest

No declarations were made.

2 Spending Review and Autumn Statement 2015

Cllr Sharon Taylor, Vice-Chair and Spending Review Lead for the Resources Portfolio, introduced the report which highlighted the implications for local government of the Spending Review and Autumn Statement 2015. She particularly drew attention to the 24% reduction in real terms in core funding for local government, comprising business rates and revenue support grant. The additional £1.5 billion in the ring-fenced Better Care Fund by 2020 and the consultation on reforms to the New Homes Bonus as well as the flexibility for some Councils to raise Council Tax by up to 3.99%.

In the discussion which followed Members made a number of comments including:

- The LGA had received good media coverage on the day of the Spending Review and Autumn Statement, and a press briefing by Cllr David Simmonds and Cllr Sharon Taylor the following day had led to further measured coverage in the weekend press. The LGA

had received positive feedback from member councils on the response and media coverage.

- Although the Spending Review was not as tough as the worst forecasts, there would continue to be substantial financial challenges for local government in the coming five years, following five years of previous funding reductions. There was an assumption from government that councils could use reserves to 'smooth' funding reductions, although some authorities had limited reserves.
- The LGA had made a strong case to DCLG and the Treasury on the need for funding to house and care for Syrian refugees, and as a result the government understood the requirements of local government. There were still concerns about the availability of housing.
- The LGA would need to work with government on the distributive aspects of the settlement. The flexibility for authorities with Adult Social Care responsibilities to increase council tax by a further 2% was welcomed, but geographically some areas would benefit more than others from this and there is already pressure on the cost of beds and domiciliary care. All councils faced challenges with an increasing older population. The LGA should consider the issues of redistribution to help areas with higher levels of deprivation so that inequality was not locked into the system.
- The announcement that councils could keep 100% of business rates, and the reform of the New Homes Bonus were welcomed. The LGA would continue to work with government on the detail of the localisation of business rates and would respond to the New Homes Bonus consultation.
- There would be a transitional period into the new national funding formula for school, high needs and early years which would be introduced from 2017/18. This would be challenging for some areas and individual schools, and authorities would have to manage the transition carefully at local level.
- Homelessness and provision of temporary accommodation were placing extensive costs on local authorities, but also high social costs. Private rental evictions have increased. There was more work to do with the government on this issue.

Decision

The LGA Executive **noted** the update.

Actions

Comments from members to provide a steer for the LGA response to the local government finance settlement, expected to be announced the following week, and further work on local government finance.

3 Policy Priorities

- a) Local Government Finance Policy

Sarah Pickup, Deputy Chief Executive, introduced the report which updated the LGA Executive on the local government finance priority which had been agreed by the Leadership Board. Members noted that the next area of work would be the LGA response to the local government finance settlement, which was expected to be announced before parliamentary recess on 17 December.

There were a number of issues to work through to implement the move to 100% retention of business rates. One part of this was work on reforms to the business rate appeal system, given the financial impact and uncertainty it placed upon councils. The LGA was looking to reduce the number of appeals and secure a more modernised way to collect business rates and would be responding to a government consultation which would close early in the new year.

In response to a question it was confirmed that the LGA would consider methods for distribution of business rates beyond top ups and tariffs, and the issues facing all member authorities would be taken into account as part of this work.

Decision

The LGA Executive **noted** the finance work which had been undertaken to date and plans for future delivery of the priorities.

b) Devolution within England

Cllr Sir Richard Leese, Chair of the City Regions Board, and Cllr Mark Hawthorne, Chair of the People and Places Board, introduced the report which updated the LGA Executive on recent policy developments and the next stage of the LGA's campaign for devolution within England.

In the discussion which followed Members made a number of comments including:

- There were still issues around legislation and governance, with the Cities and Local Government Devolution Bill still passing through Parliament. There was concern particularly from two tier authorities that amendments to the Devolution Bill would have adverse impacts on devolution discussions currently underway. These concerns are exacerbated by delays in securing deals in two-tier areas, which appear to have been put on hold until after the Bill received Royal assent.
- There have also been issues related to civil service capacity to manage the scale of negotiations generated by

the volume of bids, as well as continued resistance to devolution from key departments. The LGA is exploring how to unlock progress by supporting negotiations at scale.

- Members noted that work was still ongoing on how the LGA provided support to combined authorities.
- Welsh authorities were working with the Welsh LGA and colleagues in English authorities on the implications for Wales. Authorities in the North of Wales in particular were in discussions with neighbouring councils in Liverpool, Manchester and the Northern Powerhouse generally.
- There was concern that transport responsibility could be removed from an economically functional area if a geographically larger area submitted a devolution deal which included transport.
- It was observed that the constitutional position of local government is still not secured. All of the deals are discretionary and functions could still be revoked in future. It is important for devolution to become entrenched in legislation, so that the government would require primary legislation to remove powers from local government.
- There is a need to recognise the progress that has been made in a relatively short period of time. In the past 18 months, we have seen control over post-19 skills budgets, bus franchises and commissioning of acute health services handed to local partners.

Decision

The LGA Executive **noted** the update.

Action

LGA to continue to support councils in devolution deals and models of governance, and to continue consideration of how to support combined authorities.

4 LGA Business Plan 2016

The Chairman introduced the report, which set out the updated LGA Business Plan, which included one additional priority 'Promoting Health and Wellbeing', and would be rolled forward to September 2016.

Decision

The LGA Executive **noted** that the current Business Plan would be rolled forward to September 2016, and **endorsed** the updated Business Plan as set out in the report.

Action

Updated Business Plan to be uploaded onto the LGA website.

5 Note of last LGA Executive meeting

Decision

The LGA Executive **agreed** the minutes of the LGA Executive held on 22 October 2015.

Appendix A -Attendance

Position/Role	Councillor	Authority
Lord Gary Porter (Chairman)		South Holland District Council
Cllr David Hodge (Vice Chairman)		Surrey County Council
Cllr David Simmonds CBE (Deputy Chairman)		Hillingdon London Borough Council
Cllr Peter Fleming OBE (Deputy Chairman)		Sevenoaks District Council
Cllr Sean Anstee (Deputy Chairman)		Trafford Metropolitan Borough Council
Cllr Marianne Overton MBE (Vice-Chair)		Lincolnshire County Council
Cllr Gerald Vernon-Jackson (Vice-Chair)		Portsmouth City Council
Cllr Mark Hawthorne MBE		Gloucestershire County Council
Cllr Izzi Seccombe		Warwickshire County Council and Community Wellbeing Board
Cllr Sharon Taylor OBE		Stevenage Borough Council
Mayor Sir Steve Bullock		Lewisham London Borough Council
Cllr Anne Western		Derbyshire County Council
Cllr Nick Forbes		Newcastle upon Tyne City Council
Cllr Keith Wakefield OBE		Leeds City Council
Sir Richard Leese CBE		Manchester City Council and City Regions Board
Cllr Simon Blackburn		Blackpool Council
Cllr Ian Stephens		Isle of Wight Council
Cllr Bob Dutton OBE		Wrexham County Borough Council
Mayor Dorothy Thornhill MBE		Watford Borough Council
Cllr Chris White		Hertfordshire County Council
Cllr Nicolas Heslop		South East England Councils (SEEC)
Cllr Roger Lawrence		West Midlands LGA
Cllr Paul Watson		Association of North East Councils
Cllr Neil Clarke MBE		District Councils Network
Cllr Harvey Siggs		
Cllr Timothy Swift		
Apologies:	Cllr Philippa Roe	Westminster City Council
	Cllr Roy Perry	Hampshire County Council
	Cllr Jim McMahon OBE	Oldham Metropolitan Borough Council
	Cllr Peter Box CBE	Wakefield Metropolitan District Council and Economy, Environment, Housing and Transport
	Cllr Claire Kober OBE	Haringey LB and Resources Board

Cllr Peter Reeve
Cllr Jason Ablewhite

Cllr John Hart
Cllr Stephen Parnaby
OBE

Cllr Martin Hill OBE
Cllr Barrie Grunewald
Mayor Jules Pipe
Cllr Aaron Shotton
Sir Stephen Houghton
CBE

Cllr Paul Carter CBE
Alderman Sir David
Wootton

Cambridgeshire County Council
East of England Local Government
Association (EELGA)
South West Councils
Local Government Yorkshire and Humber
(LGYH)
East Midlands Councils
North West Regional Leaders Board
London Councils
Welsh Local Government Assoc. (WLGA)
SIGOMA

County Councils Network (CCN)
Local Partnerships

In Attendance:

LGA Officers