

Note of last LGA Executive meeting

Title:	LGA Executive
Date:	Thursday 21 January 2016
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
1	Declarations of Interest	
	No declarations were made.	
2	Housing Update	
	The Chairman introduced the report which had been considered by the Leadership Board the previous day and provided an update on progress which had been made by Group Leaders in discussions with the government on measures outlined in the Housing and Planning Bill. He commented that the LGA had taken a strong position to influence the Bill throughout its passage through Parliament to date, but that the Leadership Board had decided that further public lobbying on the bill in even stronger terms would improve the chances of delivering key asks for the sector. The Executive were invited to comment and endorse this approach.	
	In the discussion which followed Members made a number of comments, including:	
	<ul style="list-style-type: none">• There was agreement that there should be a strong challenge to the government on the Bill. Evidence had been gathered from councils to support the view that the Bill would not fulfil the government's intentions and in some cases would do the opposite; residents would be forced to move from local authority housing into private rental accommodation, which would have a negative impact on communities which could not afford high rents and also impact upon the government's plans to reduce benefits and welfare.• There had been some progress made on capital receipts, which would be spent at sub-regional level if not spent within three years instead of going back to the Treasury.• The government should not take away Section 106 monies from local authorities for new developments, which would impact upon	

the number of starter homes being built across the country. The LGA's Housing Commission was considering this issue, amongst others, as part of their work.

- 165 councils had made submissions on the sale of high value assets, and it was still unclear what the levy on this would be. Councils with higher levels of high value housing would lose a high proportion of stock, and would not have the ability to replace it with housing of the same standard.
- The LGA should work with Housing Associations to create a national framework for housing and planning.
- The reforms proposed in the Bill were not aligned to the government's plans for increased devolution to local authorities. Under the new legislation the Secretary of State would be able to direct a body to dispose of freehold or leasehold interests.
- London in particular had a large number of residents in temporary accommodation, and this situation would become a greater concern in other areas of the country if the Bill in its current form was enacted.
- An amendment which had previously been discussed in the House of Commons related to fit and decent homes; landlords should have a single standard for what constituted a fit and decent home in order to provide residents housing that was heated, dry and had internal bathrooms, amongst other standards which would reduce the pressure on local authorities. There should also be more work undertaken to tackle rogue landlords.
- There should be a strong statement from the LGA on the potential unintended consequences of the Bill, particularly with reference to the negative impact on social housing and homelessness. A clear set of proposed amendments should be taken to the House of Lords, and the LGA should prepare a more public criticism of the Bill on behalf of member councils.

Following the discussion the Chairman thanked the Group Leaders for their work to date, and thanked members for their comments. He highlighted that it was vital for the Secretary of State to set out exactly how new powers would be exercised, which would bind all future Secretaries of State to follow the process as set out in legislation. It was hoped that lobbying on the Bill would result in an outcome which would be fair for all local authorities. New lobbying lines on the Bill would be agreed by the political groups and actioned as soon as possible.

Decision

The LGA Executive **agreed** to adopt a stronger position to parts of the Bill through focused LGA Parliamentary, campaigning and media activity.

Action

Revise lobbying approach in line with the steer from the LGA Executive and Leadership Board.

3 Provisional Local Government Finance Settlement 2016-17 and Future Years

Cllr Claire Kober, Chair of the Resources Portfolio, introduced the report which summarised the key announcements from the provisional local government finance settlement which had been released on 17 December 2015. A four year offer had been made to local authorities, although beyond 2016/17 figures were indicative only. A new measure of core spending power had been announced, and the government had taken 2015/16 council tax receipts into account when calculating core government funding. Funding for social care authorities had been prioritised, and a new social care precept had been proposed, which would allow authorities with social care responsibility to raise an extra 2% council tax.

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

- A number of technical issues were still in the process of being resolved. It was hoped that more clarity would be given on the government's plans for 100% Business Rate Retention (BRR) and for the Better Care Fund. Two tier areas would not be able to levy the 2% social care precept across the whole council tax base as District councils did not deliver that function. Councils would not want to agree to the settlement without further understanding of these areas, and discussions were still underway.
- It was unclear how the 4 year settlement would work for local authorities.
- Member authorities looked to the LGA to be strong voice on national financial negotiations. Consideration should be given to how lobbying would remain cohesive when different tiers of authority had different pressures and funding settlements.
- Clarification on the amount of money ADASS and LGA asked for living wage funding was required and that money was supposed to rise over next 4 years. The compounding affect would impact on a gap in funding. The Better Care Fund should be brought forward earlier to equalise the relative needs for social care services and give the maximum possible impact of the social care council tax precept. Clinical Commissioning Groups and care providers considered the 2% additional precept should fund their services.
- Consultation on the New Homes Bonus would end in March 2016. It was hoped that this would offer local authorities the incentive to deliver housing and business growth for the future.
- There was clear message from the Secretary of State on BRR. Councils and the government would come up with combined approach and a proposal on how BRR would operate which would be suitable for all parties.

Decision

The LGA Executive **noted** the update and the response which had been

submitted to DCLG.

Action

Officers to update members on any follow-up announcements and policy developments, and proceed with the next steps as set out in the report.

4 Children's Services and Education

Cllr Roy Perry, Chair of the Children and Young People Board, introduced the report which had previously been considered by the CYP and Improvement and Innovation Boards. He highlighted that recent government announcements about ending the role of councils in school improvement, and the formalising of arrangements to remove failing children's services from local authority control would have a significant impact on local authorities.

The Boards had agreed that too many councils were being judged inadequate for children's services, when care of children in the UK compared favourably to other countries around the world. Some, however, did need support, and the LGA was able to offer this where required. There was a vital role for local councils in education, and it was currently unclear if the government wanted all schools to become academies or just all secondary schools. The LGA would ask for clarity on this point.

There was an additional concern on the mandatory reporting of abuse or neglect, and a government consultation on this was currently in progress. There could potentially be a large increase in the number of inspections if more instances were reported, which would impact upon the resources provided by local authorities.

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

- There was concern that academy schools were not being fully held to account in the same way that local authority operated schools were. Some academy chains had abolished governing bodies.
- Takeover of schools or children's services by another local authority or organisation was not the preferred route where inadequacy was highlighted. The LGA should support robustness through peer support, and not through takeover and removal of democratic mandate.
- There was no mention of education and children's services in devolution deals, and this should be included in future discussions on devolution deals with government.
- All councils should be aware of their corporate parenting roles, and welfare of children was of paramount importance.

Decision

The LGA Executive **noted** the work which had been undertaken by the Children and Young People and Improvement and Innovation Boards on school improvement and support for children's services.

5 Flooding - Resilience and Response

Cllr Peter Box, Chair of the EEHT Board, introduced the item and praised the work of council staff who had helped communities which had experienced flooding over the Christmas period. He highlighted that the EEHT Board would also consider flooding resilience and response, and in particular look to see if there was a case for EU solidarity funding for flood defences. The LGA Executive added their thanks to all council staff from across the country who had assisted with the response to flooding.

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

- There should be a comprehensive approach to flooding, as climate change would make flooding events happen on a more regular basis, and the LGA would have a major role to play in planning for these events in partnership with the government and the Environment Agency (EA).
- The LGA should work closely with the EA to ensure that priorities for flood defence were correct and that the government was investing in the right areas to build resilience to mitigate future flooding events.
- Infrastructure, including roads, electricity supplies and water supplies, should be examined and, where appropriate, improved if flooding in particular areas became an annual event.
- The EEHT Board, on behalf of the LGA, would consider the best way to share good practice on flood response amongst councils. An information sharing event or seminar could include detail on barriers to effective response, impact on communities, emergency response and mitigation.
- Flood defence and resilience funding from central government should be targeted on a risk basis, not by how much financial contribution was made by individual authorities.
- Legislation issues on river and sludge dredging should be considered to review the impact it had on flood defence.
- The Flood and Water Management Act 2010 should be reviewed to ensure that it was not hindering response to flooding by local authorities, water companies and central government.
- The LGA should consult member authorities on the appropriate balance between investment in flood defence versus environmental management approaches to managing flood risk, and also what the main issues were in particular areas of the country.

Decision

The LGA Executive **noted** the latest position on flood resilience and response, and **agreed** that the EEHT Board should consider a good practice event / seminar and that a survey of member councils on flood

risk should be undertaken.

6 Note of the last Leadership Board meeting - Tabled

Decision

The LGA Executive **noted** the minutes of the Leadership Boards held on 10 December 2015 and 20 January 2016.

7 Note of last LGA Executive meeting

Decision

The LGA Executive **agreed** the minutes of the LGA Executive held on 10 December 2015.

8 Budget Submission 2016

Cllr Claire Kober, Chair of the LGA's Resources Portfolio, introduced the report which set out the LGA position statement for the 2016 Budget Submission. The deadline for the submission was 29 January, and members of relevant Boards and Portfolios were involved in preparing responses. The draft submission considered various issues including the future of council tax, business rate retention, the impact of future flooding, skills and employment, and housing. The Leadership Board had discussed the draft submission the previous day and comments from the Executive would be taken into account prior to final submission.

- The submission should be stronger so that local authorities were able to take a better position in negotiations for funding for the sector. By 2019/20 some member authorities would be reliant only on business rates and not government grant funding.
- The LGA should further stress how communities would be affected by loss of bus networks and concessionary travel which were a huge driver for the economy. Any changes should be fully funded, including the introduction of the national living wage.
- The sector should agree on how the collective local government agenda should be taken forward, and where common ground between different types of local authority and different political parties could be found. The County Councils Network and District Councils Network were keen to engage in the process.
- There was a lot of work still to do on housing finance, inherent unfairness in council tax levels and business rate retention. The sector would have to decide on the best way to distribute business rates; whether the government or Secretary of State should be given responsibility, or if the sector should manage the process internally. However it was taken forward, the argument should be clear and consistent.
- The mechanism of referenda for council tax rises above 2% was

counterproductive and too expensive for local authorities to use. Further work should be undertaken to gauge the potential costs of referenda to local authorities.

- The council tax precept for adult social care would not meet the growing demand and new burdens, such as DOLS which local authorities would have to fund.

Decision

The LGA Executive **agreed** that the draft 2016 Budget submission be updated to reflect their comments for approval prior to its submission to Her Majesty's Treasury.

Action

That the 2016 Budget submission be updated to reflect the Board's comments.

Appendix A -Attendance

Position/Role	Councillor	Authority
Lord Gary Porter (Chairman)		South Holland District Council
Cllr David Hodge (Vice Chairman)		Surrey County Council
Cllr Philippa Roe (Deputy Chairman)		Westminster City Council
Cllr Peter Fleming OBE (Deputy Chairman)		Sevenoaks District Council
Cllr Sharon Taylor OBE (Vice-Chair)		Stevenage Borough Council
Mayor Sir Steve Bullock (Vice-Chair)		Lewisham London Borough Council
Cllr Marianne Overton MBE (Vice-Chair)		Lincolnshire County Council
Cllr Gerald Vernon-Jackson (Vice-Chair)		Portsmouth City Council
Cllr Roy Perry		Hampshire County Council
Cllr Mark Hawthorne MBE		Gloucestershire County Council
Cllr Izzi Seccombe		Warwickshire County Council and Community Wellbeing Board
Cllr Nick Forbes		Newcastle upon Tyne City Council
Cllr Keith Wakefield OBE		Leeds City Council
Cllr Peter Box CBE		Wakefield Metropolitan District Council and Economy, Environment, Housing and Transport
Cllr Claire Kober OBE		Haringey LB and Resources Board
Sir Richard Leese CBE		Manchester City Council and City Regions Board
Cllr Simon Blackburn		Blackpool Council
Cllr Ian Stephens		Isle of Wight Council
Cllr Peter Reeve		Cambridgeshire County Council
Cllr Bob Dutton OBE		Wrexham County Borough Council
Mayor Dorothy Thornhill MBE		Watford Borough Council
Cllr Chris White		Hertfordshire County Council
Cllr Jason Ablewhite		East of England Local Government Association (EELGA)
Cllr Nicolas Heslop		South East England Councils (SEEC)
Cllr John Hart		South West Councils

Cllr Martin Hill OBE
Cllr Roger Lawrence
Cllr Paul Watson
Mayor Jules Pipe
Cllr Paul Carter CBE
Cllr Neil Clarke MBE

East Midlands Councils
West Midlands LGA
Association of North East Councils
London Councils
County Councils Network (CCN)
District Councils Network

Apologies:

Cllr David Simmonds CBE
Cllr Sean Anstee
Cllr Anne Western
Cllr Stephen Parnaby
OBE
Cllr Barrie Grunewald
Cllr Aaron Shotton
Sir Stephen Houghton
CBE
Alderman Sir David
Wootton

Hillingdon London Borough Council
Trafford Metropolitan Borough Council
Derbyshire County Council
Local Government Yorkshire and Humber
(LGYH)
North West Regional Leaders Board
Welsh Local Government Assoc. (WLGA)
SIGOMA
Local Partnerships