

COUNTY COUNCIL MEETING – 16 SEPTEMBER 2011

**Statement from: Councillor M J Hill OBE – Leader and Executive Councillor
for Policy, Strategy, Communications**

Local Government Resource Review

The current Government, on being elected last spring, indicated it intended to undertake a review of the funding of local government during the first half of 2011. Phase 1 was launched in March 2011 and a consultation on specific proposals was launched on the 18th July with a closing date of 24th October. The main aspect of Phase 1 is the localisation of business rates.

Phase 2 was launched on 29th June with the publication of its terms of reference. The target date for completion of Phase 2 is April 2013. Phase 2 relates to exploring how community budgets can be used to provide greater flexibility for local authorities, their partners and communities to use their resources more effectively. A number of pilot projects are to commence on this theme.

Phase 1 proposes that local authorities retain the business rate income generated in their area and that this replaces the current general government grant to local authorities known as formula grant. Government would retain the power to set the rate poundage but, subject to certain tolerances, local growth in the business rates base would be retained locally. There would be little change in the first year as a system of top-ups and tariffs would be in place to secure that no authority suffered a major loss of funding. The change would commence for the 2013/14 financial year. Although top-ups and tariffs would remain thereafter they will likely provide decreasing levels of protection year on year.

The Council is reviewing the potential impact of this system on the finances of the Council and will respond to the consultation in due course.

Property

The capital receipts target for 2011/12 is £4.0m and we have already sold land and buildings to the value of £4.5m with a further £4.1m sold subject to contract giving a total of £8.6m. There are further sales under negotiation and it is anticipated that a further £1.0m could be achieved by the year end giving a total of £9.6m, some £5.6m above target.

The sales include those care homes sold to the Order of St John Care Trust which were previously leased by them.

A three month consultation is also being undertaken on potential changes to the existing provision of Registration Offices within the county.

Peer Challenge

With the demise of the formal inspection regime under the Comprehensive Area Assessment, the LGA has promoted a regime of self-regulation for the sector, with councils' taking collective responsibility for assessment and improvement as the means of driving high performance and avoiding failure.

One key element of this approach is delivered through every local authority being subject to a 'Peer Challenge' every three years. Under this programme, a visiting team of 'critical friends' found from elsewhere within the sector, and supplemented by external experts is to visit each authority and examine the Council's activity in relation to its objectives, and its commitment and ability to improve.

This activity is currently being launched, and we have offered to be one of the first to trial the new approach. Accordingly, a Peer Challenge team will visit the Council during the week commencing 19 September. West Lindsey District Council has also offered to undertake an early challenge, so we will be taking the opportunity to test the efficiency of our work alongside them during that same week.

The Council's Vision

Since the new government published its programme following the General Election last year, and in the response to the world-wide recession, the role and responsibilities of the Council have been subject to considerable change, with further changes anticipated. The opportunities and the challenges facing the Council are considerable, and the Council will naturally wish to be clear about what it wants for Lincolnshire and how it best can bring those things about.

I have begun the process of considering what a new Vision and set of Objectives for the Council may look like by asking officers to draft some proposals and by undertaking some informal discussions with partner agencies within the county. I intend to bring forward some proposals for consideration and consultation, with a view to the Council debating and adopting a new Vision and Objectives before the end of the year.

Changes at the Local Government Association

At the Annual General Meeting of the LGA in July, a new Chairman for the Local Government Group was elected in the shape of Cllr Sir Merrick Cockell, Leader of The Royal Borough of Kensington and Chelsea. A number of individual councillors from Lincolnshire were also elected to positions of considerable influence in the organisation, and I would wish to congratulate Cllr Marianne Overton on becoming Leader of the Independent Group on the LGA, Cllr Gary Porter of South Holland District Council on becoming Leader of the Conservative Group, and Cllr Eddy Poll on joining the Housing and Environment Programme Board. I am also the representative of East Midlands Councils on the Executive Board of the LGA. The county of Lincolnshire is therefore very well represented in the activity of Local Government at a national level.