

Open Report on behalf of Richard Wills, Director responsible for Democratic Services

Report to:	Overview and Scrutiny Management Board
Date:	1 March 2018
Subject:	Membership of the Local Government Association

Summary:

In March 2017 the Leader of the Council served 12 months' notice of termination of the Council's membership of the Local Government Association. This joint report sets out the background to that decision and invites the Overview and Scrutiny Management Board to comment on how it feels this matter should be progressed.

Actions required:

- 1) That the Overview and Scrutiny Management Board considers the background to the decision to serve notice of termination of the Council's membership of the Local Government Association and
- 2) Comments on how it feels the Leader of the Council should progress this matter.

1. Background

- 1.1 On 16th March 2017 the Leader of the Council gave notice of the Council's intention to leave the Local Government Association (LGA).
- 1.2 If nothing intervenes to alter this course of action, it will take effect on 1st April 2018.
- 1.3 Before considering the options available to him, the Leader of the Council has invited the Overview and Scrutiny Management Board to comment on the Council's membership of the LGA.
- 1.4 The Council has been a Member of the LGA since its formation in 1996. The Association exists to promote the interests of the sector as a whole and to do so on behalf of all of its Members, which include County Councils, Metropolitan Unitary Authorities, London Boroughs and District Councils.

- 1.5 The decision to serve notice was taken on the basis of concerns that the Council was not receiving full value for its £77,757 annual subscription. Faced with having to find savings of £30m, it was felt that continued membership of the organisation could not be justified. Other authorities such as Leicestershire and Essex County Councils took a similar decision to serve notice.
- 1.6 In the 11 months that have passed since the serving of the notice the LGA has recognised the Council's concerns and has made efforts to engage with us to ensure that we have the fullest opportunity to participate in the development of policies and programmes on relevant matters.
- 1.7 The LGA has also claimed that through its work, including lobbying, over that period it has secured a number of benefits for councils in the following areas:
- i) Lincolnshire County Council received £15,265,596 additional adult social care funding as year one of the two-year £2bn deal.
 - ii) The Libraries Taskforce supported the LGA's calls for a further £500,000 investment in libraries.
 - iii) In June the LGA confirmed that councils who opt into the Public Sector Audit Appointment Scheme (PSAA) will collectively receive £6m in savings from 2018/19.
 - iv) Government reconfirmed its commitment to a Fair Funding Review.
 - v) In July the LGA launched its Growing Places campaign, which outlines what resources will be needed to support the population through a changing world.
 - vi) LGA lobbying helped to secure the summer suspension of HMRC enforcement action against social care providers.
 - vii) In August the LGA announced proposals to set up a new insurance mutual for councils with the potential to deliver significant savings to councils.
 - viii) LGA launched a new culture hub with Arts Council England.
 - ix) In October a consultation proposed a greater role for councils in commissioning supported housing, something the LGA has campaigned for.
 - x) In December the Government committed to continue to move towards further business rate retention by 2020/21. Lincolnshire County Council is one of the 2018/19 pilots for which a no detriment clause has now been applied, confirming that the council will not be worse off as a result of pilot status.
 - xi) Additional flexibility to raise council tax by an additional one per cent without a local referendum is announced for the next two years.
 - xii) In January a £19m fund for services for unaccompanied asylum seeking children came into effect.
 - xiii) Following lobbying by the LGA, the Government announced an extra £150m grant for adult social care in 2018/19. Lincolnshire has been allocated £2,104,969.
- 1.8 The LGA also provides other services and benefits including:-

- Support and advice to councillors
- News and briefings
- Discounts on selected services including improvement support and leadership programmes
- Free or discounted events
- Legal advice and representation on complex issues
- Opportunities to join special interest groups such as the County Council's Network
- Free and discounted research and strategy consultancy services

1.9 However, on the most important and pressing matter, fair funding of local government, there has been limited progress. It is potentially very important to the Council that the LGA take a principled and robust line on this, but it remains to be seen whether the organisation will satisfy the Council's wishes in this respect. The Fair Funding Review for Local Government consultation document was launched on 21 December 2017, with the consultation running until 12 March 2018.

1.10 Historically there has been an imbalance in outcomes achieved in respect of the funding of counties. Therefore the LGA's response to this document will be crucial if it is to illustrate that it can ensure that the needs of the different types of council within its membership are properly met.

1.11 There are three options to be considered by the Leader in deciding how to progress this matter.

A) The Leader could take no further action, which will mean the Council will leave the LGA with effect from 1st April 2018

B) The Leader could withdraw the notice, which will mean the Council will continue its membership of the LGA.

C) The Leader could withdraw the notice and replace it with a further 12 months' notice to terminate membership of the LGA, which would mean the Council could leave the LGA on 1st April 2019.

1.12 Options B and C will require the payment of the annual subscription to the LGA.

2. Conclusion

It has been 11 months since the Council served notice to terminate its membership of the Local Government Association. In determining the next steps the Leader of the Council is inviting comments from the Overview and Scrutiny Management Board.

3. Consultation

n/a

4. Background papers

Title	Where available
Executive Councillor Report: Membership of the Local Government Association 16 th March 2017	Democratic Services

This report was written by Nigel West, who can be contacted on 01522 552840 or nigel.west@lincolnshire.gov.uk .