

	<h2>Policy &amp; Resources Committee</h2> <h3>17 February 2015</h3>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Barnet’s membership of the Local Government Association</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Director of Strategy</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>None</p>
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<h2>Summary</h2>
<p>On 10 June 2014, Policy &amp; Resources Committee (P&amp;R) discussed Barnet Council's membership of the Local Government Association (LGA), which cost £60,491 in 2014/15. P&amp;R agreed the following:</p> <ul style="list-style-type: none"> <li>• <i>P&amp;R recommend that the council inform the LGA that it is minded to give notice to leave the Association and that P&amp;R reconsider this matter again at a later date, with officers to report back to the Committee on the value for money of the LGA.</i></li> </ul> <p>This report provides the Committee with an assessment of the value for money the council receives from its membership of the LGA and recommends a way forward.</p>

<h2>Recommendations</h2>
<p><b>It is recommended that Policy &amp; Resources Committee agree the following:</b></p> <ol style="list-style-type: none"> <li><b>1. Member councils are required to provide 12 months’ notice to leave the LGA. It is recommended that the P&amp;R agrees that the council issues notice to leave by 31 March 2015, meaning a formal withdrawal date of 31 March 2016. Issuing notice provides the council with flexibility to make savings by not renewing its LGA membership in 2016/17 should it need to. The council could remain a member of the LGA at the end of the 12 months if it decided to, and continued to pay the annual membership fee.</b></li> </ol>

**2. That, during the 12 month notice period, officers explore areas where the council could drive more benefits from its membership, such as involvement in LGA Peer Challenges. This more active engagement should also help assess the benefits of future membership.**

## **1. WHY THIS REPORT IS NEEDED**

1.1 On 10 June 2014, Policy & Resources Committee (P&R) discussed the council's continued membership of the Local Government Association (LGA). This was originally a non-executive business item submitted to Full Council on 8 April 2014 by Councillor Brian Coleman. The item was not dealt with at the meeting and was referred to P&R for action as the relevant Committee in accordance with the Council Procedural Rules.

1.2 At the 10 June meeting, P&R agreed to defer the decision, pending an updated report from officers. The recorded outcome of the discussion was:

*That P&R Committee recommend that the council inform the LGA the council it is minded to give notice to leave the Association and that P&R reconsider this matter again at a later date, with officers to report back to the Committee on the value for money of the LGA.*

1.3 This report presents an assessment of the benefits of LGA membership.

1.4 The cost of LGA membership for 2014/15 was £60,491. Member Councils are required to give 12 months' notice of their intention to leave the LGA. If P&R took a decision to leave on 17 February, Barnet would need to give formal notification by 31 March 2015 for its membership to cease on 31 March 2016. Barnet would be required to pay the membership fee for 2015/16 and would continue to receive the full benefits of membership during the notice period.

### **Current LGA member councils**

1.5 According to the LGA website, as of 14 April 2014, all English councils are members of the LGA with the exception of Sheffield City Council and LB Bromley. However, this does not take into account any councils that may have given notice to leave in the last year, so the position could change from April 2015.

1.6 It has been reported in previous years that a number of authorities have given notice but ultimately have not withdrawn membership. For example, in 2010, it was reported that a dozen authorities had given notice and, in March 2013, that 8 cities including Birmingham, Leeds, Manchester, Newcastle, Liverpool and Sheffield served notice. According to the LGA website, only Sheffield and Bromley are not members.

1.7 Giving formal notice is therefore not binding. It could be that some councils issue notice to provide flexibility, although the precise reasons why those

councils that have issued notice but have subsequently remained members are not clear.

### **Financial cost of membership**

- 1.8 As part of the need to save £73.5m by 2020, the Medium Term Financial Strategy includes a target saving of £400k in membership and subscription costs for 2016/17. Saving approximately £60k by leaving the LGA would represent 15% of the £400k target.
- 1.9 However, Barnet has received a direct financial benefit from its membership in recent years. In 2013, the council received an LGA grant of £43k to support development of its Transparency Portal and in 2011 it received £25k to pilot the 'Fix My Street' application on the Barnet website.
- 1.10 Were Barnet to remain a member, it would continue to look for similar opportunities, although there are no guarantees that it would be able to secure similar grants.

### **Driving the benefits from LGA membership**

- 1.11 Barnet could consider how it might more actively manage its membership in order to generate benefits.

### ***Sector-led improvement: LGA Peer Challenge***

- 1.12 A major part of the LGA offer to members is the potential to take part in **Peer Challenges**. These are independent reviews of a council's performance, led by the LGA with input from other peer authorities, aimed at driving improvements and efficiency.
- 1.13 Peer challenge is a process commissioned by a council and involves a small team of Local Government peers spending time at the council to challenge and share learning. The process involves engaging with a wide range of people connected with the council. The LGA has delivered more than 400 peer challenges since 2011 and has been working to develop the programme. In 2014, an independent evaluation endorsed the value of peer challenge.
- 1.14 Member councils are able to undertake a **Corporate Peer Challenge** at no additional cost. It is voluntary and tailored to the needs of each council, designed to support councils to take responsibility for their own performance and improvement. Councils have used Corporate Peer challenge to focus on a variety of issues including to:
- Inform corporate strategy, assess their readiness for the future change.
  - Seek an external perspective of major change and transformation programmes.
  - Assess the impact of joint working between councils e.g. in relation to a shared service.

- Identify new ways of working, service delivery and relationships with citizens/partners, and working with partners, and harnessing internal and external capacity to deliver priorities.
- 1.15 In addition to Corporate Peer Challenge, the LGA offers **service-based Peer Challenges** including Adult Social Care; Housing; Safeguarding; Regulatory Services; and Communications.
- 1.16 Although Barnet has been involved with specific LGA Peer Challenges in the past – for example, in 2013, there was a Peer Challenge in relation to Adult Social Care – it could consider how it might take advantage of a central part of the LGA’s offer.
- 1.17 There would still be time for Barnet to partake in a Corporate Peer Challenge or specific Peer Challenges over the course of the next 12 months if P&R were minded to issue notice to leave. The Director of Strategy, for example, is in discussion with the LGA to take forward a Peer Challenge of Barnet’s Communications and Engagement functions.
- 1.18 However, not being a member of the LGA would rule Barnet out of any future Peer Challenges.

### ***Political Leadership Programme***

- 1.19 The LGA also provides a range of political leadership development programmes designed to support and develop local Councillors. The cross-party programme offers different types of support – including for those at the beginning of their careers and for more experienced politicians.
- 1.20 Programmes include a dedicated Leaders programme for new and existing Council Leaders; ‘Top Team Development’ for senior political leadership teams; a ‘Next Generation’ programme geared towards new and ambitious Councillors; and a Community Leadership programme.
- 1.21 As part of a drive to generate further benefits from Barnet’s membership of the LGA, Councillors may wish to consider whether they might benefit from being more actively involved the political leadership programmes on offer.

### ***LGA National Graduate Development Programme***

- 1.22 An area where Barnet has been active is its involvement in the National Graduate Development Programme (NGDP) which is run by the LGA. The NGDP is the Local Government equivalent of the Civil Service Fast Stream and Barnet has benefitted greatly from the annual in-take of graduates it receives. Over the past few years, Barnet has increased its number of graduates and sees the scheme as an important part of its strategy for developing future talent.
- 1.23 Barnet has attracted high performing graduates, many of whom have moved into full time roles at the end of the 2 year scheme. It is important for Barnet

to continue to participate in the NGDP and the LGA have confirmed that non-member councils can continue to be a part of the scheme.

### **LGA lobbying of central Government**

- 1.24 The LGA positions itself as ‘the national voice of Local Government’, working on behalf of members to ensure that councils have ‘a strong, credible voice with national Government’. The LGA lobbies national Government in relation to the major issues affecting the sector, such as the Local Government funding settlement and major policy reforms such as Welfare Reform.
- 1.25 The LGA has engaged with Government on issues such as funding for health and social care integration, where an additional £1.9bn has been granted to Local Government; Public Health, where an additional £400m has been granted; and funding for road maintenance.
- 1.26 Questions about the LGA’s influence with central Government are difficult to assess. Indeed, it could be argued that Barnet would benefit to the same degree as it does now from LGA lobbying on sector-wide issues such as the Local Government settlement whether or not it continued to be a member.
- 1.27 It is therefore difficult to determine, as a member organisation, the direct impact and success of the LGA’s interventions with national Government or quantify where the LGA has made a difference in securing additional funding or flexibilities. At one level, it would be unfair to overly criticise the LGA in relation to the funding settlement that Local Government has received over the course of the current Parliament. With the UK running a significant budget deficit and major areas of spending such as health and education ring-fenced, it is not surprising that Local Government has received a challenging settlement, in spite of any lobbying from the LGA.
- 1.28 However, there are opportunities that the LGA could do more to push, particularly on the back of a recent NAO report which criticised national Government for not having a clear understanding of the impact of budget cuts on Local Government.
- 1.29 With the next Spending Review likely to take place soon after the General Election, the LGA should be active in developing the evidence base to influence the outcome and communicating its approach with members. It is not clear how the LGA is planning to do this or involve the council in these negotiations to ensure its views are represented.

### **Other means of negotiation and lobbying**

- 1.30 Arguably, Barnet has benefitted more significantly by lobbying central Government directly in recent years. This has been the case with regards to Government support for the Brent Cross and Grahame Park regeneration schemes, with the announcements at Budget 2014 coming as a result of direct negotiations between Barnet and the Government.

- 1.31 In relation to future financial flexibilities and freedoms for Local Government, it could be argued that Barnet is likely to benefit more through its membership of the West London Alliance and London Councils – as it seeks to negotiate a ‘City Deal’ type arrangement with the GLA. It is through the WLA and London Councils that Barnet is focusing its efforts in securing further financial devolution flexibilities and, in other areas that have secured City Deals, negotiations have tended to take place directly with Government.

## **Conclusion and recommendation**

- 1.32 Giving notice of the intention to leave the LGA does not mean that this cannot be withdrawn. Indeed, given the need to save £400k in membership and subscription fees across the council in 2016/17, it is recommended that Barnet issues formal notice by 31 March 2015 in order to give it the flexibility to make savings from the cost of LGA membership in 2016/17 should it need to. The council could continue to be a member if it continued to paid annual fee.
- 1.33 There are a number of areas where Barnet could be more active to drive benefits from its membership, such as involvement in Peer Challenge and political leadership programmes. The council would still have 12 months to become more active in these areas even if notice to leave were issued.
- 1.34 It is recommended that Barnet give consideration to becoming more engaged with the LGA’s Peer Challenge Programme over the course of the next year. This more active engagement should also help assess the benefits of future membership.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The recommendation provides the council with flexibility. By issuing notice to leave the LGA by 31 March 2015, this recommendation provides the council with flexibility to make a saving of £60k in 2016/17 as part of the £400k target for savings in membership and subscription costs should it wish to. Alternatively, if the council determines that it wishes to remain a member at the end of the 12 months – having done more to generate benefits from its membership – the option is still available, subject to continuing to pay the annual fee.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 If the council does not issue notice to leave by 31 March 2015, the option for making a saving in 2016/17 is not available as it will be tied into membership for a further year.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 If P&R approves the recommendation, the council will write to the LGA by 31 March to issue notice. The council will also discuss with the LGA the options for generating more benefits from membership during these 12 months – for example by taking forward Peer Challenges or Member development.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 This report does not have a significant impact on the ability of the council to delivery its Corporate Plan priorities or have any know performance implications.

##### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 Membership of the LGA cost £60k in 2014/15. Withdrawing membership in future years would create a saving for the council in the annual membership fee.

##### **5.3 Legal and Constitutional References**

- 5.3.1 There are no statutory implications. It is within the council's power to remain a member of the LGA or not. The council is required to abide by the terms of membership, which requires 12 months notice to be given for membership to be withdrawn.

- 5.3.2 Council Constitution, Responsibility for Functions, Annex A sets out the terms of reference of Policy and Resources Committee, including 'Ensuring effective Use of Resources and Value for Money' and 'To be responsible for those matters not specifically allocated to any other Committee affecting the affairs of the Council'.

##### **5.4 Risk Management**

None specifically arising from this report.

##### **5.5 Equalities and Diversity**

There are no known equalities implications associated with this report.

##### **5.6 Consultation and Engagement**

- 5.6.1 The council is not required to consult on decisions regarding membership of the LGA.

#### **6. BACKGROUND PAPERS**

- 6.1 P&R considered the council's membership of the LGA on 10 June 2014. P&R recommended:

*That the council inform the LGA that it is minded to give notice to leave the Association and that P&R reconsider this matter again at a later date, with officers to report back to the Committee on the value for money of the LGA.*

6.2 The report and minutes can be found here:

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7856&Ver=4>