

# LGA membership update 2016/17

PREPARED FOR

Stockton-on-Tees Borough Council

## Welcome to the Local Government Association

Thank you to the hundreds of members who have contributed to our shared efforts to improve life for our councils, our councillors and our residents. Members clearly expressed how last year has been another difficult one for councils, unprecedented challenges on finance, housing and social care.

In addition, the major implications of Britain's exit from the European Union (EU) mean that as we look forward, sound, democratically-elected local leadership will be more important than ever to secure the best deals for our residents, our communities and our country.

It is under these tough circumstances that, on your behalf, we've been working hard to be the national voice of local government and to ensure councils are clearly heard, crafting solutions to better help us serve our residents.

We've called for the funding and powers needed to make sure that you are in the best position to serve your communities and improve your residents' lives. As well as securing extra money for councils, much of our behind the scenes work and collective actions have prevented additional burdens, both costs and duties, being placed on councils. We will continue to work with you

to ensure that local government maintains a strong, united voice throughout forthcoming debates and negotiations.

In the last year, we have focussed our campaigning work, both publicly and in meetings with ministers and officials, on a number of things that you have asked us to focus on – overall funding for local government, housing, social care, devolution and ensuring local government is front and centre in any discussion about our exit from the EU.

Our campaigning work on the crisis in social care successfully united charities and health and care providers to achieve wide agreement on the urgent need to help councils tackle the immediate social care pressures they face. We have been clear that flexibility on council tax alone would not solve this problem.

In the Spring Budget, the Chancellor used his Statement to announce that councils will receive £2 billion of new funding over the next three years, including £1 billion in 2017/18. While this is obviously good news for local government, as we have been leading efforts to highlight the significant pressures facing adult social care and secure desperately-needed new government

funding, we will now focus on securing a long-term solution. We will of course ensure local leaders play a central role.

Through our Housing Commission, we secured a wide range of wins from the Government's Housing White Paper, including a minimum 20 per cent increase in funding for local planning developments and a commitment to further flexibilities for councils to build council homes. We will continue to make the case for councils to have the powers and money to resume their historic role in house building, to increase housing supply and promote affordable housing for people who need it.

It is disappointing that, despite our campaigning, the issue of new homes bonus and the lifting of the housing borrowing cap were not addressed. These and the wider housing issues that you have raised with us will form the centrepiece of one of our priority campaigns in the coming year and we will continue to press Government on your behalf.

On Britain's membership of the EU, there was a diversity of views among local government. To reflect this, the LGA remained neutral during the referendum campaign. This has put local government in a strong position. It is clear that the EU referendum result is an opportunity to reshape the way this country is run. Local government is clear that money and powers do not stop in Whitehall and must be transferred from Brussels to local areas. We will continue to use our seat at the negotiating table to get the best solutions for

your council and the local communities you serve.

That means wider devolution and an increased role for democratically elected local leadership. We know that as well as bringing benefits this process can also bring challenges, but despite this local government has already made huge progress, delivering a number of devolution deals across the country. We will continue to work with Government and our member councils to deliver a real shift in power to councils and local communities, who are best placed to make the decisions that affect them.

That includes making those decisions that are critical to balancing the economy – but that requires financial sustainability and the flexibilities to raise more funds locally. We have long called for local government to be able to keep more of its business rates income and the Local Government Finance Bill is an important step on the road towards this. It contains a number of provisions which come as a result of our lobbying on behalf of local government. However, to become truly self-sufficient, councils need the power to address their own financial instabilities. We will continue to make the case that Government must properly fund councils if you are to deliver real change in our communities.

Our regular polling of both our member councils and MPs and Peers shows us that we have a strong reputation, but we are not complacent and continue to listen to what you tell us, striving to improve our

membership offer and the services we provide to support you and your political and managerial teams.

Our improvement work, which helps you to continue to contribute to the improvement of local government as a whole, goes from strength-to-strength. This year we have delivered 125 peer challenges to councils, helping to deliver millions of pounds of savings. We also recognise the importance in working closely with you and over the last 12 months, we and other members of our senior team have made nearly 1,000 visits to councils in England and Wales.

Your feedback has told us this work is highly regarded and we will continue to amend our offer to ensure it continues to grow and develop to support you, however you need it. If there's anything else we can offer or issues we aren't tackling we want to hear from you, do let us know.

Local government remains the most trusted and efficient part of the public sector. We will continue to work across all our political parties and in all our areas of activity to support, promote and share everything that is great about all parts of local government and local democracy.

We understand that at times when you are having to look at how you spend every pound it is vital that the LGA continues to provide value for money for your council. We would like to take this opportunity to reassure you that we will continue to work hard, on your behalf, to ensure the benefits of being in membership outweigh your subscriptions costs.

Now, more than ever, it is vital that we stand together during these difficult and uncertain times.



*Porter of Spalding*

**Lord Porter of Spalding**  
Chairman

@garyporterlga



*Mark Lloyd*

**Mark Lloyd**  
Chief Executive

@MarkLloydLGA



We are committed to offering the best value for money to our member councils. Over the past five years, we have reduced our total subscription income by 30 per cent and this year we have, again, frozen our subscription levels. Alongside the 2.5 per cent early payment discount for payment by 1 June, a further 2.5 per cent loyalty discount is once again available to member councils committed to membership for at least a full year.

**Stockton-on-Tees Borough Council's subscription for 2017/18 is £35,779 - a reduction of 34 per cent since 2009.**

How the LGA has worked for your council 2016/17



**Cllr David Simmonds CBE**  
Deputy Chairman  
Acting Leader, Conservative  
Group @CllrDSimmonds



**Cllr Nick Forbes**  
Senior Vice Chair  
Leader, Labour Group  
@nick\_forbes



**Cllr Marianne Overton MBE**  
Vice Chair  
Leader, Independent Group  
@OvertonMarianne



**Cllr Gerald Vernon-Jackson CBE**  
Vice Chair  
Leader, Liberal Democrat Group  
@geraldvjuk

## Political support for councillors

As a cross-party, politically-led organisation, we have four political groups which work with councillors across the country. The political groups:

- work closely with, and where appropriate, challenge government, shadow teams and party administrations
- help shape our campaigns, policy, media and public affairs work
- set our priorities and agree policies
- offer political advice, guidance and support to individual councillors and to political groups in councils
- run briefings and events for councillors around the country, often with senior government and political figures
- attend and run sessions for councillors at the Autumn and Spring party conferences
- maintain a watching brief over councils and co-ordinate political support where necessary
- allocate councillors to our peer challenge programme, helping to support councils
- coordinate appointments to the our boards, panels, commissions and to a range of outside bodies.



[www.lgaconservatives.local.gov.uk](http://www.lgaconservatives.local.gov.uk) 020 7664 3264



[www.labourgroup.lga.gov.uk](http://www.labourgroup.lga.gov.uk) 020 7664 3263



[www.lgaindependent.local.gov.uk](http://www.lgaindependent.local.gov.uk) 020 7664 3224



[www.libdemgroup.lga.gov.uk](http://www.libdemgroup.lga.gov.uk) 020 7664 3293



## How we have worked on behalf of Stockton-on-Tees Borough Council in 2016/17

Over the last year on your behalf we've worked hard to be the national voice of local government. We've called for the funding and powers needed to make sure that you are in the best position to serve your communities and improve your residents' lives.

Our work often takes place behind the scenes, with Government, ministers and officials. As well as securing extra money for councils, our work has also prevented additional burdens, both costs and duties, being placed on councils.

We've also worked on a range of collective actions on behalf of hundreds of our member councils, securing additional funding and helping to avoid potential additional fees.

In addition, where you have told us we need new legislation or told us where existing legislation needs changing we have worked hard to press Government on your behalf, securing some important wins for councils, including:

- **£2 billion of new money over the next three years to protect social care services for older and disabled people, with £1 billion of this allocated in 2017/18 .This is a direct result of us leading, with others, a sustained campaign. In 2017/18 your council will receive £3,640,877. We will push for councils to have full flexibility over how this new money is used.**
- **£300 million, over four years, to provide discretionary business rates relief. This follows our calls to give councils the freedom and funding to set discounts and reliefs locally to help them better support businesses and local economies. The provisional allocation for your council in 2017/18 is £241,000.**
- £690 million for new local transport projects, to improve congestion on roads and public transport.
- **A £50 million annual fund for councils to support school improvement and a £148 million fund to support failing schools. This is a direct result of a high profile campaign opposing the £600 million cut to the Education Services Grant. Although this is still a significant reduction in funding direct to councils, this will help councils retain some capacity to monitor school performance and support improvement.**

**We are continuing to press Government further for the full £600 million cut to be reversed. From September 2017 to March 2018 your authority will receive £82,915.**

- A decision from Government to drop proposals to transfer responsibility for Attendance Allowance to councils as part of the further localisation of business rates collected locally. Currently, £5.5 billion is spent on Attendance Allowance in the United Kingdom. Our ongoing campaigning work highlighted how the proposal would have accounted for the majority of the extra business rates income kept by local government and created a significant cost pressure for councils, who are already facing a £5.8 billion funding gap by 2020.
- Provision in the Local Government Finance Bill for Government to pay local authorities for the cost of business rates appeals. At the moment, local authorities are forced to hold back approximately £2.5 billion to manage the risk of successful appeals. This is money that could go towards frontline services if more certainty is achieved.
- An announcement from Government that it would no longer legislate to force all schools to become academies. We estimated that forced academisation of all schools would have cost councils up to £380 million by 2020.
- Significant changes to the Housing and Planning Act, including dropping the 'Pay to Stay' policy, confirmation of no requirement to sell higher value council homes in 2017/18, and dropping of proposals for all new housing to be starter homes.
- Significant wins secured in the Government's Housing White Paper as a result of work around the LGA Housing Commission, including a minimum 20 per cent increase in funding for local planning teams, a new £45 million Land Release Fund for councils, new powers to encourage developers to build out sites with planning permission and flexibilities to establish local development corporations.
- Major changes to the Homelessness Reduction Bill in five major areas, raised as concerns by councils, as a direct result of our lobbying work. This resulted in a reduction of proposed burdens on councils and £61 million of extra funding to meet new duties. In response to our concerns, the Government has also committed to a comprehensive review of the Bill's impact two years after implementation.
- A new £2.3 billion Government Housing Infrastructure Fund to deliver infrastructure projects linked to housing growth.
- A commitment from Government to a national dispersal mechanism for unaccompanied children, with councils receiving between 20 to 33 per cent more funding compared to previous rates. These rates will be reviewed in 2017/18 and we will continue to push for the costs to councils to be fully met.
- £4 million of new grant funding for councils to implement the Armed Forces Covenant via the bid-based Ministry





of Defence Armed Forces Covenant Fund. It follows our ongoing lobbying to Government and warnings that without sufficient funding it is difficult for councils to implement the armed forces community covenant at a local level.

- £700 million for councils by 2020/21 to help local areas recover from the damage caused by last winter's flooding. We will continue to support councils in calling for funding to meet the full cost of the damage and urging Government to ensure new defence funding is devolved to local areas.
- A £250 million pothole fund, announced by the Government following our sustained campaign highlighting the country's 'roads crisis' and calling for extra funding to repair our deteriorating roads. As a result, councils will receive £50 million each year for the next five years.
- £7.5 million of Home Office funding to establish a new Centre of Expertise on Child Sexual Abuse.
- A package of support to deliver 'Ambition for Libraries'. This includes £4 million for councils through the 'Opportunities for Everyone' fund.
- £850,000 from the Department for Education to continue to work with Barnardo's on the National Female Genital Mutilation Centre. The Centre provides direct support to councils, bringing together experts to share their knowledge and skills to support and protect women and girls who are affected by FGM.
- Opening up more funding opportunities to councils who can now submit bids

to the £50 million Creative People and Places Fund and the £3.2 million Cultural Destinations Fund.

## We have also lobbied and worked to support councils on a wide range of other issues including:

### COUNCIL FINANCES

Following intensive lobbying in the run-up to the Autumn Statement and provisional local government finance settlement we secured:

- An announcement from Government that social care authorities would be able to raise the social care precept by an additional 1 per cent in 2017/18 and 2018/19. The move recognised our calls for the urgent need to help councils tackle the immediate social care pressures they face, which included our analysis that councils faced a £2.6 billion social care funding gap. Although, we have been clear that this alone is not the answer to the social care crisis.
- A one-off adult social care support grant worth £241.1 million. However, we recognise that this is not new funding from Government and that not all areas will be in a position to benefit from the brought-forward council tax raising powers. We will continue to press Government to reverse the associated reductions to the new homes bonus and find new money to pay for this grant.
- Extended flexibility from Government to raise council tax by up to £5 to all district councils, where this raises more than 2 per cent; councils will benefit from this flexibility again in 2017/18 and

for the remaining years of the four year settlement.

We have consistently argued for local government to be able to keep more of its business rates income. The Local Government Finance Bill is an important step on the road towards this. It contains a number of provisions which come as a result of our lobbying on behalf of local government. For example, the Government has dropped the proposal that LEPs would have a veto power over mayoral combined authorities wishing to raise an infrastructure levy. Instead, combined authorities will be required to publish a prospectus to consult local businesses.

Following LGA lobbying, Government is considering the option of allowing 'partial resets' of the new business rates retention system, which would enable authorities to retain business rates growth over a longer period.

Aggressive business rates avoidance continues to have a significant impact on business rates income in England. We have recently agreed with the Department for Communities and Local Government that we would work with the sector on investigating and tackling this problem.

Through our lobbying work we secured an additional £1.5 million from Department for Work and Pensions for councils who were impacted by the changes to temporary accommodation management fees.

Following the referendum on EU membership, we identified an English

and local government gap in the Brexit strategy and we called for a seat around the negotiating table. At our annual conference in July 2016, the Secretary of State for Communities and Local Government announced that there would be a seat at the table for local government through the LGA. As post-exit decisions begin to be made, we have set out a clear plan to ensure that Government and Parliament's decisions make a difference for local communities.

Our work has already secured a commitment from Government to honour EU funding agreements. Those signed off by the time we exit the EU are now guaranteed rather than just those signed by the 2016 Autumn Statement. Our research from August 2016 revealed only 25 per cent of some local areas' 2014-2020 funding allocations had been legally committed. This will help to get some vital growth-boosting schemes off the ground across the country. We are working hard to ensure that there is a domestic local growth scheme which replaces all of the £5.3 billion EU regeneration funding and gives local areas more say over how it is spent after Brexit.

The National Citizen Service (NCS) Bill would have placed extra burdens on councils without additional funding. Our lobbying ensured these duties were not placed on councils. Instead, the NCS Trust will spend up to £75 million on promoting the scheme between now and 2020. Following our lobbying, Government has committed to meeting "the full costs of compulsory redundancies, once local authorities can show that all redeployment and

reassignment activity has been undertaken", as part of the full roll out of Universal Credit.

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## SOCIAL CARE AND HEALTH

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Our campaigning and lobbying of Government for new and sustainable funding for adult social care has resulted in the LGA becoming one of the leading voices in the sector on the need to tackle the urgent pressures facing our social care system, and most importantly, secured £2 billion of new money over the next three years to protect social care services for older people and those living with disabilities.

We successfully united charities, health and care providers to achieve sector wide consensus on the urgent in helping councils tackle the immediate social care pressures they face. This has had a major impact in raising this vital issue up the media and political agendas and resulted in leading parliamentarians quoting our work in debates.

Our call for a review of social care was also backed by the Chairs of the Public Accounts, Health and Communities Select Committee and Local Government Select Committee. Government has since committed to review care and health.

We have been a strong voice calling for and ensuring the role and expertise of local government, and in particular, councillors, is recognised in the Sustainability and Transformation Plans (STP) process. There remain many issues we are still pressing to improve, but there is now clear recognition

from NHS national bodies that councils, which are skilled at engaging with their local communities, must be involved closely in shaping local STPs.

We also ensured that the Better Care Fund (BCF) rules in 2016/17 delivered protection for NHS funding to social care, except where there was local agreement for something different. For 2017/18, we will continue to press the case for a simpler, less bureaucratic programme alongside maintaining the protection of social care funding. We have also pressed for local areas with well advanced systems of integrated health and social care to be able to 'graduate' from BCF, meaning that they will no longer have to submit a BCF plan and will be exempt from other reporting requirements.

Our lobbying work secured a delay to the introduction of the Local Housing Allowance cap on rents for Supported Housing until 2019/20 and secured a commitment from Government to give councils funding to meet the gap between the cap and actual rents. This means that where councils have vulnerable residents in supported housing, they will not need to meet the shortfall in rents from their own budgets from April 2017.

We secured the removal of an unfair policy which meant some of our armed forces veterans were required to use their service pension to pay for social care. We listened to your concerns on this issue and as a result of our subsequent campaigning work on your behalf, the War Disablement Pension is no longer regarded as income.

We also secured £14 million of funding from the Department of Health and Ministry of Defence to cover the cost of the change.

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## GROWTH, PLANNING AND INFRASTRUCTURE

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As a result of our lobbying work through Parliament and with the Government we have been successful in limiting some of the impacts of the Housing and Planning Act, for instance the Government has announced it will:

- drop the policy known as 'Pay to Stay' requiring council landlords to charge higher rents for some tenants and passing these rents onto the Treasury.
- not require payments from councils as a result of the forced sale of council homes in 2017/18. This provides some measure of relief but we will continue to lobby on this important issue, and for flexibilities for councils to build council homes.
- drop requirements on councils to ensure 20 per cent of homes on sites as new starter homes, instead allowing councils to include other affordable home ownership products in a 10 per cent requirement. We will continue to push for greater flexibilities so councils can respond to local housing need.

Government has also responded to our ask for investment in infrastructure for housing with a £2.3 billion Housing Infrastructure Fund accessible to councils.

In response to your concerns about changes to bus services we supported the Bus Services Bill. The Bill will give elected mayors and local transport authorities the power to improve bus services for the people who use them.

Following our calls for much needed additional road maintenance money the Government announced £1.2 billion of roads funding for 2017/18. We continue to push Government, on your behalf, for long-term and consistent funding to invest in the local road network.

The Government has dropped its plans to fine councils up to £5,000 a day for leaving roadworks unmanned after we campaigned to give councils powers to introduce the lane rental scheme as an alternative to tackling roadworks that overrun.

Following our work new powers have come into force allowing councils to issue on-the-spot Fixed Penalty Notices (FPNs) of up to £400 to help tackle small-scale fly-tipping, like dumping items such as pieces of broken furniture, old televisions and mattresses.

Our national broadband campaign, 'Up to Speed,' has resulted in the Government committing to "keeping the initial minimum download speed under review...to make sure it keeps pace with consumers' needs." Following our work with Ofcom, it recommended that the Government implement a social tariff under for those who would face undue hardship by paying for a connection. Our work with the Advertising Standards Agency has led to it publicly calling for the way broadband providers advertise speeds to be reviewed to

ensure they are more fair and transparent.

Following our 'Up to Speed' work, Government has also agreed it will trial new 5G technology in rural areas and provide a further investment of £200 million to fund a programme of local projects to test ways to accelerate market delivery of new full-fibre broadband networks.

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## CHILDREN AND YOUNG PEOPLE

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Government announced £215 million of additional funding to create more school places and improve facilities for children with special educational needs and disabilities (SEND). This follows work to highlight the significant underfunding of the SEND reform programme. Councils will receive this funding from 2018/19 onwards.

A further £216 million investment in school maintenance was announced in the Spring Budget. We continue to push Government to commit to devolving school capital funding to a single local pot to allow schools and councils to work together effectively to tackle local challenges.

As a result of our lobbying, the Department for Education (DfE) gave councils £35.8 million in 2016/17 to fund the additional duties placed on them as a result of the transition from Statements to Education, Health and Care Plans for children with Special Education Needs. **Your council will receive £124,502. We continue to press Government for full funding for the reforms.**

We worked with parliamentarians and the Government to remove the power to relax or amend children's social care legislation in local authority intervention without proper local consultation or support, as contained in the Children and Social Work Bill. The proposal to relax or amend social care legislation was subsequently withdrawn by the Government.

Our work has resulted in the largest independent fostering company in the UK agreeing to end the practice of offering financial incentives to entice foster carers away from councils, which puts up costs. This also means councils are more likely to retain talent. This follows our work highlighting the issue of independent fostering agencies using "golden hellos" when approaching council foster carers. Recent figures highlighted that just eight commercial fostering agencies can make more than £40 million in profits in one year.

We ran a 'Come Back to Social Work' recruitment drive with Government following figures showing more than 11 per cent of social worker posts are unfilled. As well as seeing people come back into social work, the drive has resulted in hundreds of candidates registering for refresher training, helping to reduce agency costs for councils.

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## COMMUNITY SAFETY, FIRE AND LICENSING

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Following council concerns, we secured the power for councils to revoke personal

licences to sell alcohol where the licence holder is convicted of a relevant offence. This will give councils stronger powers over licensed premises in their areas.

We helped secure a commitment from Government to produce statutory guidance on safeguarding and taxi and private hire licensing.

We lobbied for changes to the operation of the late night levy, which have been implemented through the Police and Crime Act. This will enable councils to target the levy to specific nuisance areas, rather than unfairly impacting a whole area, and is likely to increase use and effectiveness of the power.

We helped secure changes in the Police and Crime Act which will ensure that licensing authorities can take into account the potentially negative impact of having places that sell alcohol clustered in an area when they make licensing decisions.

We worked with Government and parliamentarians on the Investigatory Powers Act 2016 to ensure councils retain access to communications data, in order to protect consumers and businesses from criminal activity such as scams and fraud by rogue traders, loan sharks and other perpetrators.

Working on behalf of Fire and Rescue Authorities we secured amendments to the Policing and Crime Bill to ensure residents and staff are consulted on proposals to transfer governance of the fire and rescue service to the Police and Crime

Commissioner. We have also worked with the Government to ensure that any assessment of a Police and Crime Commissioner's business case to take on fire governance will be a genuinely independent process.

We lobbied the Department of Education to change its guidance on the design of school buildings, so it is clear that where a fire safety risk assessment recommends sprinklers are installed, they will be.

premier league football games to go towards grassroots football. Our lobbying for greater investment in local facilities has also resulted in the FA, Premier League and Sport England announcing the Parklife football initiative which will invest more than £130 million in developing artificial pitches on mainly council facilities.

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## CULTURE AND SPORT

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We secured changes to national sport and physical activity funding, which will shift funding from national bodies to councils and partners. This has led to £600 million of funding being made available to councils through Sport England.

We secured strong recognition of the role of local government in the Government's Culture White Paper, which will shape how the Department of Culture, Media and Sport and its national agencies work with councils to support culture. The paper recognised the important role that councils play in the delivery of cultural services, including the launch of the Great Place scheme which will support councils and their partners to invest in culture in their place. Arts Council England has also signed a new Memorandum of Understanding (MOU) with the LGA to work closely with us and councils to develop their programmes.

We successfully called for more money from the sale of TV rights to broadcast



## Collective actions on behalf of our members

Since the collapse of the Icelandic Banks in 2008, and the successful action led by the LGA to recover £1 billion of council investments, our legal team has co-ordinated a growing number of actions on behalf of member councils. These include defending you against actions brought by other organisations and preparing new burdens applications to Government. This year we have worked on:

### PROPERTY SEARCHES

In 2009 Property Search Companies issued proceedings against councils for failure to comply with the Environmental Information Regulations (EIR) to provide environment information free of charge and for breach of the Competition Act. The claims were made up of

- 435 claims against 188 councils brought by 36 claimants (Total value: £7.2 million plus interest and costs).
- 7,222 claims brought by 156 claimants (Total value £56 million plus interest and costs).
- Competition Act claim £240 - £400 million.

After sustained work we have secured £45 million new burdens funding for member councils in England and £3 million for Welsh councils. **This collective action work has resulted in your council receiving £182,202 of new burdens funding for property searches.** A decision is awaited on further new burdens refunds, councils' legal fees and other searches.

### LOCAL LAND CHARGES REGISTER TRANSFER TO HM LAND REGISTRY

Following the decision to transfer Local Land Charges Registers of 326 councils to HM Land Registry, the LGA has successfully agreed with Land Registry the funding of additional costs incurred as a result of the transfer under new burdens principle. The LGA is supporting councils by working with Land Registry to agree the funding details.

### PREP JUDICIAL REVIEW

In 2016, the National Aids Trust challenged NHS England's decision that it did not have the power to commission the drug PrEP for those with HIV. NHS England's argument was that councils were responsible for preventative medication. The costs alone of commissioning PrEP could have been in the region of £20 million. The LGA made representations on behalf of local government in the High Court proceedings and then in the Court of Appeal. The Court of Appeal upheld the High Court's decision that NHS England did, in law, have the power to commission PrEP. **Stockton-on-Tees Borough Council was part of the collective which successfully defended against the NHS England vs National Aids Trust and LGA Preventative Health Services and PReP appeal.**

### WASTE VAT EXEMPTION

We joined HMRC and the Treasury to successfully defend a legal challenge to



the VAT exemption for council commercial waste services. We estimate that if the legal challenge by the waste management company had succeeded it could have potentially cost local authorities' waste budgets a total of £77 million per year.

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## BUSINESS RATE RELIEF – CLAIM BY NHS TRUSTS

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In 2016 a number of councils received applications from NHS Trusts and Foundation Trusts for mandatory non-domestic rate relief, backdated six years. The costs are estimated to be worth up to £1.5 billion. The LGA is working with councils and co-ordinating their responses. **Stockton-on-Tees Borough Council is part of the collective being supported by the Local Government Association to reject NHS Trusts and Foundation Trusts application for non-domestic rate relief as charitable organisations.**

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## POTENTIAL CLAIM AGAINST MASTERCARD/VISA

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Following a European Court decision the LGA acting on behalf of councils is exploring the possibility of claiming compensation plus interest against Mastercard/Visa for unlawful interchange fees.

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## EXTERNAL AUDIT CONTRACTS (PSAA)

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The LGA has worked hard to provide councils with a national option to appoint external

auditors. As a result, we created PSAA to manage the external audit contracts following the demise of the Audit Commission. The fees paid by councils for their external auditor are now 55 per cent less than in 2010/11. The PSAA recently launched the national scheme for the appointment of external auditors for 2018/19. Ninety-eight per cent of eligible bodies have agreed to do so.

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## ACTING AS INTERVENOR

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The LGA recently intervened in legal proceedings that would have set a potentially wide reaching precedent for local government, whereby councils involved in cases concerning vulnerable children and adults could be ordered to pay the legal costs of other parties who are not eligible for legal aid. The LGA successfully argued that this would, in effect, establish an ad hoc extra-statutory legal aid fund with costs transferred from national to local government, and the case was subsequently rejected.

## Working for your council

### On your behalf, we:

- lobby to influence financial and policy decisions which affect your council
- press for greater powers to be devolved from Whitehall to local government
- influence emerging government thinking, ensure your views are represented and raise issues with ministers, shadow ministers and officials
- speak with one voice through local, regional and national media, helping to promote the things that you are doing well and defend local government's reputation, significantly increasing the number of positive stories about local government
- support councils to drive innovation and improvement, and share best practice to help them be more efficient and effective, delivering millions of pounds of savings and improving services
- negotiate fair pay and pensions, in our role as national employer, providing considerable advice on workforce issues to individual and groups of councils

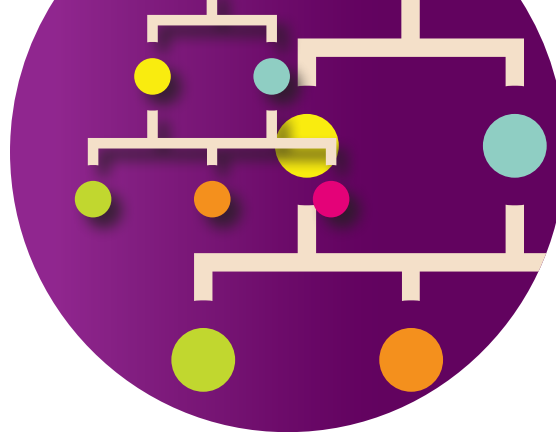
We are constantly listening to what you tell us, striving to improve our membership offer and the services we provide to councils. Our most recent survey shows that three quarters of our members say they are satisfied with the work we do on behalf of councils.

We have continued to work closely with councils and in the last year, our Chairman, Chief Executive and other members of our senior team made nearly 1,000 visits to councils in England and Wales.

Our Chairman and Chief Executive send a weekly email bulletin to council leaders and chief executives to share relevant information from across the LGA and local government more widely.

Our improvement work has been widely used by councils, helping to share innovation and best practice across local government. In the last year, more than 125 councils received a peer challenge. This approach, helping to co-ordinate improvement across local government, has helped councils to deliver millions of pounds of savings.

The political support offered through our four group offices supports councillors both personally and professionally with highly regarded leadership development programmes.



## The national voice of local government – councils in the media

2016 has been the most successful year ever for the LGA in the media, seeing a 42 per cent increase in the number of national newspaper and broadcast coverage on the previous year. 2,170 separate pieces of national coverage were secured, together with a further 35,563 articles published in regional, local and trade media.

Working with council communications teams, the LGA's media team has ensured that it is the first point of contact for national newspaper and broadcast journalists. Working 24/7, 365 days a year, the team promotes the work you are doing in the national, regional, local and specialist press, and stands up for local government as a whole by rebutting any negative stories.

We ensure local government has a say on the big issues of the day, for example, on housing, adult social care, Brexit and children's services. Our spokespeople, from councils up and down the country, were interviewed 217 times by national broadcast media in 2016.

We also provide a free daily news headlines service to all member councils, recently extended to seven days a week, saving you thousands of pounds and our weekly email to all council communications teams – Commsnet – is widely read and shares best practice and other resources.

## Influencing Parliament on your behalf

Influencing legislation and parliamentary committees on behalf of local government remains a priority for us. Throughout the year we worked with parliamentarians to represent local government in national political debate and shape legislation and policy. We've also supported councils as they prepared to give evidence to Parliament.

In the last financial year, we were referenced 953 times in parliamentary debates, committees and questions. We sought to influence 10 pieces of legislation including the Homelessness Reduction Bill, the Local Government Finance Bill, the Children and Social Work Bill, the Bus Services Bill and the Neighbourhood Planning Bill. We also worked on 44 parliamentary inquiries, influencing their thinking and recommendations on many issues, including the financial sustainability of local authorities, adult social care, the industrial strategy, multi-academy trusts and housing.

How the LGA has worked for your council 2016/17



Our parliamentary successes for local government include securing positive changes to legislation and support from parliamentary committees. Key highlights include:

## LEGISLATION

- As a direct result of our lobbying proposals in the **Housing and Planning Act 2016** to compel social landlords to charge higher income tenants market or near market rents (a policy known as “Pay to Stay”) will be introduced on a voluntary basis with councils retaining discretion over whether to apply the policy. In response to concerns from councils the Government has confirmed that they will not require local authorities to make payments related to the sale of their high value assets in 2017/18.
- As a result of our work on the **Homelessness Reduction Bill** major changes were made, with proposed duties on councils to secure accommodation for those at risk of homelessness being amended to be more flexible. We also secured a commitment from Government to fully fund the new duties and this led to the announcement of £61 million to fund the cost burdens. We are now encouraging the Government to commit to undertaking a comprehensive review of the Bill’s impact, including funding and homelessness trends, after year two of implementation.
- The **Children and Social Work Bill** contained provisions allowing the Secretary of State to relax or amend

children’s social care legislation in a local authority in intervention without proper local consultation or consent. We worked with parliamentarians and the Government to remove this power.

- Working with the Government and Parliament we helped shape the **Policing and Crime Bill** to ensure that licensing authorities can take into account the potentially negative impact of having gambling premises clustered in an area when they make licensing decisions. We also secured an amendment which will help ease some cost pressures on councils by removing the duty on coroners to conduct an inquest in all cases where the deceased had been subject to a deprivation of their liberty or a court of protection order.

## PARLIAMENTARY COMMITTEES

- The House of Lords’ Economic Affairs’ Committee’s (EAC) report into ‘Building More Homes’ called on the Government to allow local authorities to build more homes by freeing them from “unnecessary and arbitrary financial restrictions”, reflecting a key priority for local government.
- The Public Accounts Committee report into the financial sustainability of local authorities highlighted our concerns about the financial challenges facing councils, noting that ‘local authorities are under sustained revenue pressure’.
- The Health Committee’s report on public health recommended the Government

fulfil its commitment to health in all policies by enshrining health as a material consideration in planning and licensing law. It stated that ‘local authorities need the levers to be able to take effective action to protect local communities and this is especially important given the cuts to their budgets.’ The Committee commended the LGA for establishing a sector-led improvement approach within public health.

- The Transport Committee’s report into Bus Services supported the importance of devolving the powers over bus franchising as it will deliver benefits to local areas. It argued that: “In our view, it is primarily for the local transport authority to decide whether or not franchising is appropriate for any particular area”.
- In our evidence to the Education Select Committee’s inquiry on social work reform we argued that there was currently little evidence that removing children’s services from council control and transferring responsibility to third party organisations is an effective tool in driving improvement. The Committee recommended that the Government assess the effectiveness of the existing independent trusts before expanding the model any further.

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## PARTY CONFERENCES

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The LGA held a number of debates and briefings at the autumn party conferences. We hosted debates on the impact of Brexit on local government, the future of education and the priorities for the new Government

with our councillors debating the subjects with senior national politicians, think tanks and stakeholders.

Our Chairman, Group Leaders and councillors, all fully briefed by the LGA, spoke at **64 events** on local government funding, education, health and social care, housing and the importance of technology to the public sector. Through our work we also secured positive commitments from the national party leadership, including:

- At the Conservative Party conference, the Prime Minister and the Secretary of State for Communities and Local Government the Rt Hon Sajid Javid MP highlighted the need to get more homes built, something that we have consistently campaigned on. During the conference measures were announced to get more homes built that included a £3 billion Home Builders Fund, which will enable the building of up to 235,000 homes, as well as greater use of Government and public sector land for housebuilding. The Prime Minister also re-affirmed the Government’s commitment to devolving powers from Whitehall to local communities.
- At the Labour Party conference the Labour Party Leader Jeremy Corbyn MP announced a commitment to remove the artificial local borrowing cap and allow councils to borrow against their housing stock. We have been calling for the HRA cap to be removed to allow councils to build more homes.
- At the Green Party, UKIP and Plaid Cymru conferences there was increased

recognition of the importance of local government. This included promotion of the role of councillors in our democracy and the need for cultural funding to recognise the role local government plays in promoting the arts as essential parts of a healthy society.

- At the Liberal Democrat conference delegates passed motions calling for the reform of the Bus Service Operators Grant so that it is devolved to local authorities and calling on the central government to work closely with local government to ensure councils have the funding and support needed to help refugees.

## Practical support for councils

There is a range of support available to your council. A regionally-based principal adviser, acts as your first point of contact with the LGA, advising on the support and services available. Your principal adviser is in regular contact and undertakes numerous visits to councils over the course of the year. **Mark Edgell is your Local Authority Principal Adviser and can be contacted on mark.edgell@local.gov.uk and 07747 636 910.**

In addition, you can access:

- support from specialist advisers across a range of policy areas from housing to health and social care, children to communications
- on-the-day briefings covering all major Government announcements – including the Queen’s Speech, the Budget and major legislation which may affect your council
- free legal advice and opinions, on some complex issues, commissioned by the LGA. Legal opinions can cost individual councils tens of thousands of pounds
- free access to advice on pay, pensions and employment
- discounts on Microsoft and Adobe software licences.



## Conferences and events

We have continued to work closely with councils and in the last year we held more than 120 events, most of which were free for member councils. More than half of them, 63 per cent, were held in the regions.

Councillors and officers from our member councils have access to these events, from small seminars to large residential conferences.

Our member authorities receive a 42 per cent discount on one-day events and a 23 per cent discount on residential events, including our annual conference – the flagship event for local government.

We also arrange roundtables, briefings, seminars and receptions at the main party conferences, and an annual conference for Independent and smaller party councillors.

**Thirteen members and 12 officers from Stockton on Tees attended events in 2016.**

## Sector led improvement

Sector-led improvement (SLI) is the approach to improvement put in place by local authorities and the LGA alongside the abolition of the previous national performance framework. Through a coordinated approach to SLI across local government, LGA support helps you continue your own improvement journey, take up our support offer and contribute to the improvement of local government as a whole. In the last 12 months for example, the LGA has delivered 125 peer challenges to councils. This approach, helping to co-ordinate improvement work on behalf of councils, has helped them to deliver millions of pounds of savings. Our offer however is far wider than simply peer challenges and so far over the last year has included the support listed below. Where your council has taken up this support, we have included this information:

- one **free corporate peer challenge** every four to five years, including follow up visits that happen a year or so after the original challenge.
- **themed peer challenges** by arrangement, including, finance, communications, adults and children's safeguarding, health and wellbeing, planning and fire. **Stockton-on-Tees Borough Council has received a subsidised Children's Safeguarding Practice Diagnostic in 2014, a subsidised Children's bespoke review in 2015 and a Health and well-being peer challenge in 2016.**
- a revised and extended **finance support** offer, increasingly tailored to councils'

needs as financial issues rise up the list of council priorities. To recognise the increasing importance of financial issues and responding to your suggestions, we have extended peer support on finance and added to the financial diagnostic tools made available to all councils, such as the 'spider charts'. These are available online at LG Inform – [lginform.local.gov.uk](http://lginform.local.gov.uk).

- **bespoke peer support** such as up to **five days 'change of control' support** for new leaders/cabinet members and tailored peer mentoring support for individual councillors from experienced councillors with relevant expertise. **Your council has received bespoke support following a peer challenge, health and wellbeing support and other bespoke support.**
- **productivity support** to help councils increase financial sustainability under three broad themes – Transforming Services, Smarter Sourcing and Generating Income. Through our projects and programmes we have worked directly with more than 100 councils during 2016 in areas such as demand management, commercialisation and digital transformation, providing support, learning lessons and publishing case studies, valued by all authorities. **During 2016 your council has received support from an LGA-funded Economic Growth Adviser.**
- **One Public Estate**, which supports 179 councils to work collaboratively with other public bodies on public land and property initiatives that deliver efficiencies (capital receipts and reduced running costs), support local growth (new homes and jobs) and more customer focused integrated services. **Your council is a member of Tees Valley Combined Authority partnership, which has received £50,000 funding in 2016/17.**
- the **Advanced Commercialisation Group** encourages councils already experienced in commercial activities to go further and faster in their efforts through collaboration and sharing good practice. The group also informs and advises the LGA on its improvement support offer to assist councils' commercial activities to ensure that they are both practical and relevant.
- **LG Inform** – a free on-line benchmarking service that saves authorities time by bringing together up-to-date data for performance management and presenting it in an easy to read report format to help officers, councillors and the public understand and compare their local area. **We also provide free ward reports** from LG Inform Plus, our premium data and information management service. The LGA provides free advanced LG Inform/LG Inform Plus training for local authority staff.
- **communications support** – increasingly, authorities are requesting communications support as part of our sector-led improvement offer – ranging from in-depth reviews of their communications functions and activities, strategic communications support, crisis communications assistance and media relations advice. More than fifty councils received support from our communications team last year. We are uniquely placed to offer support, advice, training and access to best practice.
- bespoke support from our **Care and**



**Health Improvement Advisers**, who work with our regional Principal Advisers to provide senior, professional support, advice and capacity in social care and health to regional lead members, chief executives, directors of adult social services, and health providers.

- bespoke support through the Care and Health Improvement Programme to support **health and wellbeing boards** to be effective in their role as system leaders to deliver place-based health and social care services. We work with boards to understand what the support needs are and provide facilitation to support improvement.
- our **Care and Health Improvement Programme efficiency project**, which is helping selected councils, through grant funding, to develop innovative, efficient and sustainable approaches in care and health services, eg in terms of commissioning, market shaping, integration and managing demand.
- our **Children's Services Efficiency Project**, which is helping selected councils as they develop innovative, efficient and sustainable approaches in children's services, eg in terms of commissioning, market shaping, integration and managing demand.
- the **Planning Advisory Service**, which provides high quality help, advice, support and training on planning and service delivery to councils. It helps local government officers and councillors stay effective and up to date through a sector-led improvement approach, where local authorities help each other to continuously

improve.

- **governance support** from the Centre for Public Scrutiny, which provides specialist training and consultancy to individuals and organisations looking to improve their governance and scrutiny skills, culture systems and processes.
- **Local Partnerships**, the joint venture between HM Treasury and the LGA that helps the sector deliver major projects and change, ensuring that key priorities, eg saving money, devolution/closer collaboration, growth and building more houses, are achieved and that clients secure excellent value for money.

We have also launched our devolution support programme, helping interested councils to secure the benefits of devolution for their residents. Based on feedback from councils, we have put in place bespoke support packages that can include:

- leadership support from member and officer peers with experience of setting up new governance arrangements and/or negotiating deals
- access to technical advice to support the development of business cases and financial modelling to support proposals
- strategic advice for negotiations with government departments including up-to-date assessments of the national picture on devolution
- policy advice to support the development and implementation of deals
- support to develop devolution



communications strategies

- support with civic and community engagement to ensure residents and communities are involved
- expert support from the Centre for Public Scrutiny to develop governance arrangements and advice on overview and scrutiny arrangements within combined authorities
- expert support from Local Partnerships for transformation and service redesign
- access to an officer devolution network involving a cohort of officers from councils who are negotiating or implementing deals. The network receives regular devolution updates, and meets when appropriate to share experiences and learning on devolution.

**specifically devolution programme development support.**

We have also established a combined authority chief executives network, which provides an invaluable opportunity for chief executives and chief officers to: share learning and experiences, have space to discuss practical challenges and focus collectively on some of the key areas of policy development emerging within combined authorities and devolution deal areas.

For more information on the LGA support offer, details of our publications, information about recent devolution deals, forming a combined authority and a range of practical tools and resources, visit **[www.local.gov.uk/devolution](http://www.local.gov.uk/devolution)**.

**Your council has received support in developing your devolution ambitions,**

How the LGA has worked for your council 2016/17

## Leadership programmes

As part of our Sector Led Improvement offer we offer a range of **free or subsidised programmes**, courses and materials to support councillors, groups of councillors and officers in their various leadership roles.

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### LEADING EDGE

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A unique opportunity for leaders to work with chief executives on key leadership challenges.

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### LEADERSHIP ACADEMY

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Three two-day residential modules delivered in a cross-party setting for councillors in leadership positions to learn more about the latest in political leadership.

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### LEADERSHIP ESSENTIALS

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Themed programmes and workshops for councillors in leadership positions to share experiences with others who face similar challenges. **Two councillors from your council attended the Leadership Essentials programme in 2016/17.**

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### NEXT GENERATION

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A prestigious leadership development programme for ambitious councillors delivered in a party political group setting – free to nominated members.

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### CHANGE OF CONTROL

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Five days free consultancy support to new political administrations, to enable them to 'hit the ground running' following a change of control.

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### LEADERS' PROGRAMME

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The Leaders' Programme is a new modular leadership development programme designed around the needs of Leaders.

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### FOCUS ON LEADERSHIP

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Development programmes for councillors with potential or aspirations to move into leadership positions.

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### COMMUNITY LEADERSHIP

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Free support for councillors in their community leadership role including in-house training programmes, workbooks and E-Learning modules.

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### THE COUNCILLORS' GUIDE

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A comprehensive guide to support new councillors to be as effective as possible in their new role.

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### NATIONAL GRADUATE DEVELOPMENT PROGRAMME

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Recruits high calibre graduates into local government on a two year programme.

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### DEVELOPING THE

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## FUTURE WORKFORCE

With a thorough understanding of the local government sector, we offer support to councils on strategic workforce issues arising from public service transformation. We combine a knowledge of current best practice with an understanding of the public sector's diverse needs and research and development in next practice on HR & OD issues in support of organisational objectives. We focus on building capability and capacity to deliver improved public services, transform services and advisory services to employers.

## LOCAL GOVERNMENT CHALLENGE

Aspiring top managers compete for the £10,000 Bruce-Lockhart scholarship in a six month long competition hosted by councils across the country.

## BE A COUNCILLOR

Councils have a duty to promote local democracy. We have developed, in partnership with some pathfinder councils, a number of modular options which we are able to offer to create a bespoke 'Be a Councillor' programme for your local needs and circumstances.

## Access to facilities

The LGA's headquarters at Local Government House in the heart of Westminster is currently undergoing an extensive refurbishment, including improvements to the ground floor conference centre and all our bookable meeting rooms. The work is scheduled for completion in September 2017. During this time we are based in Layden House in Farringdon.

From September 2017, councillors and officers of the LGA's member councils will once again be able to enjoy free use of the new 7th floor Open Council coffee lounge and terrace for small, informal meetings.

Subject to availability, Special Interest Groups will also be able book our fully refurbished seventh and eighth floor meeting rooms up to three times a year, free of charge.

For further information please contact us at **[venue@local.gov.uk](mailto:venue@local.gov.uk)**

## Getting involved

The LGA General Assembly acts as the 'Parliament for local government'. It meets annually every summer before our Annual Conference to elect office holders, hear from our Chairman and to debate matters of importance to local government. Every member council is allocated a number of voting places. You can also get involved in the work of the LGA through:

- Keeping up-to-date and well informed through publications such as the LGA's first magazine and subscribing to our regular tailored bulletins.
- Hearing key national speakers at our frequent, and often free, events or conferences and contributing to shaping the debate that leads to national policy affecting local government and our residents.
- Contributing to the work of the policy boards, committees or task groups, which together

cover every area of local government.

- Joining one of our many special interest groups – such as the County Councils' Network (CCN), District Councils' Network (DCN), the Special Interest Group of Municipal Authorities (SIGOMA), Rural Services Network and the Strategic Aviation SIG (SASIG). They cover a wide range of topics – from coastal authorities and small rural authorities to councils with ALMOs.
- Working with the group offices to get excellent support, specialist training, peer reviews and peer support and contribute to shaping national thinking.

For further information please contact your Political Group Office or our Member Services Team at **[memberservices@local.gov.uk](mailto:memberservices@local.gov.uk)**





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