

HERTFORDSHIRE COUNTY COUNCIL

**RESOURCES, PROPERTY AND THE ECONOMY CABINET PANEL
THURSDAY, 15 MARCH 2018 AT 10:00AM**

HERTFORDSHIRE COUNTY COUNCIL'S MEMBERSHIP OF THE LOCAL GOVERNMENT ASSOCIATION

Report of the Director of Resources

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Executive Member:- David Williams, Leader of the Council (as responsible
for the Resources, Property and the Economy
portfolio)

1. Purpose of report

- 1.1 To inform Panel of a proposed change to Hertfordshire County Council's relationship with the Local Government Association (LGA).

2. Summary

- 2.1 In July 2017, the LGA's General Assembly voted to create a new incorporated LGA in the form of a 'private unlimited company'. On 27 February 2018, Hertfordshire County Council received a letter from the Chief Executive of the LGA asking the County Council to formally apply to become a member of this new company by 31 March 2018.

3. Recommendation

- 3.1 That Panel notes that the Director of Resources, in accordance with the County Council's Constitution, has delegated authority to sign the relevant application form for Hertfordshire County Council to be admitted as a member authority of the LGA's private unlimited company.
- 3.2 That Panel also notes that the Director of Resources' decision to sign will be subject to financial due diligence on the LGA's proposed structure of a private unlimited company and in consultation with the Leader of the Council (in line with his responsibilities for the Resources, Property and the Economy portfolio).

4. Background

- 4.1 The LGA is the national representative body for local authorities in England and Wales. Cross-party and politically led, it seeks to provide local councils with a strong voice with national government and other

stakeholders. In total, 415 local authorities are members of the LGA in 2017/18, including 349 English Councils.

4.2 Hertfordshire County Council is a longstanding member of the LGA. Its subscription fee for 2018/19 will be £106,875 (plus VAT). This rate has been frozen for the last six years.

4.3 Hertfordshire County Council's representatives on the LGA are appointed by County Council. Its current representatives are David Williams, Teresa Heritage, Richard Roberts and Chris White.

5. Proposal to incorporate the LGA as a private unlimited company

5.1 Like its member councils, the LGA is continually reviewing its arrangements to keep membership costs down. In July 2017, the LGA's General Assembly, its main decision-making body made up of councillors from its member councils, voted to create a new incorporated LGA in the form of a 'private unlimited company'.

5.2 On 27 February 2018, Hertfordshire County Council received a letter from the Chief Executive of the LGA asking it to formally sign up as a member of this new company. A copy of the draft Articles of Association can be found at Appendix A.

5.3 The LGA considers this change in status will enable it to be more financially sustainable, invest more in the work it does for member councils and keep subscriptions as low as possible. The LGA has stated that incorporation will mean that this change will enable it to enter into contracts and hold property in its own name (which it could not do as an unincorporated association) which will 'regularise' its commercial activities. The LGA has stated that the change will not affect the way that Hertfordshire County Council accesses services as a member of this organisation.

5.4 The LGA has stated that under the proposed unlimited company, members councils would have the same entitlement to a share of the assets of the LGA and the same responsibility for its liabilities in the event of its formal liquidation. This means that the liability position of Hertfordshire County Council as a member of the newly incorporated company would potentially be the same as under the current unincorporated LGA.

5.5 It is understood that the current unincorporated LGA will continue to be run in parallel until its General Assembly on 3 July 2018. At that stage, subject to all member councils having joined the new company, the General Assembly will be invited formally to dissolve the unincorporated LGA.

5.6 As such, in line with the Scheme of Delegation to Officers outlined in Annex 3 of Hertfordshire County Council's constitution, it is proposed

that the Director of Resources sign the application form for Hertfordshire County Council to be admitted as a member of the new incorporated 'private unlimited company' of the LGA.

6. Financial Implications

- 6.1 Prior to the Director of Resources signing the application form for Hertfordshire County Council to be admitted as a member authority of the LGA's 'private unlimited company', financial due diligence will be carried out to ensure that the change in status of the LGA does not have any additional impact on Hertfordshire County Council.
- 6.2 The membership fee that the County Council pays to the LGA will remain the same as stated in paragraph 4.2.

7. Equalities Impact

- 7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making.
- 7.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 7.3 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4 No EqIA was undertaken for this report because the report does not impact on equalities or affect any of the protected characteristics which would require an EqIA to be completed.

Background Information

LGA website: www.local.gov.uk