

Improvement and Innovation Board

Agenda

Thursday 7 November 2013
11.00am

Smith Square 3&4 (Ground Floor)
Local Government House
Smith Square
LONDON
SW1P 3HZ

To: Members of the Improvement and Innovation Board
cc: Named officers for briefing purposes

www.local.gov.uk

This meeting is



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Improvement and Innovation Board
7 November 2013

The **Improvement and Innovation Board** will be held on **Thursday 7 November** at **11.00am**, in Smith Square 3&4 (Ground Floor), Local Government House, LONDON, SW1P 3HZ.

A sandwich lunch will be available after the meeting at 1.00pm.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Political Group meetings

Please refer to your Political Group office (see contact details below) for group meeting timings and venues.

| | | |
|--------------------------|-----------------------------|-------------------------------------------------------------------------------------------|
| Labour: | Aicha Less: 020 7664 3263 | email: aicha.less@local.gov.uk |
| Conservative: | Luke Taylor: 020 7664 3264 | email: luke.taylor@local.gov.uk |
| Liberal Democrat: | Group Office: 020 7664 3235 | email: libdem@local.gov.uk |
| Independent: | Group Office: 020 7664 3224 | email: independent.group@local.gov.uk |

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Contact

Verity Sinclair (Tel: 020 7664 3173) email: verity.sinclair@local.gov.uk

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Improvement and Innovation Board - Membership 2013/2014

| Councillor | Authority |
|----------------------------------------|-----------------------------------------|
| Conservative (7) | |
| Peter Fleming [Chairman] | Sevenoaks DC |
| Teresa O'Neill | Bexley LB |
| Nicholas Rushton | Leicestershire CC |
| Richard Stay | Central Bedfordshire Council |
| Glen Miller | Bradford City |
| Tony Jackson | East Herts Council |
| David Mackintosh | Northampton BC |
| Substitutes: | |
| Paul Middlebrough | Wychavon DC |
| Geoff Driver | Lancashire CC |
| Barry Wood | Cherwell DC |
| Peter Jackson | Northumberland Council |
| Labour (7) | |
| Claire Kober [Deputy Chair] | Haringey LB |
| Tony McDermott MBE | Halton BC |
| Tim Cheetham | Barnsley MBC |
| Helen Holland | Bristol City |
| Kate Hollern | Blackburn with Darwen BC |
| Rory Palmer | Leicester City |
| Imran Hussain | Bradford City |
| Substitutes: | |
| Theo Blackwell | Camden LB |
| Sue Woodward | Staffordshire CC |
| Liberal Democrat (2) | |
| Jill Shortland OBE [Vice-Chair] | Somerset CC |
| Sir David Williams CBE | Richmond upon Thames LB |
| Substitute: | |
| Theresa Higgins | Essex CC |
| Independent (2) | |
| Shirley Flint [Deputy Chair] | North Kesteven DC |
| John Blackie | Richmondshire DC and North Yorkshire CC |
| Substitute | |
| Paul Cullen | Richmondshire |
| Laura Conway | North Kesteven DC |
| Robert Bucke | Tendring DC |
| Observers | |
| Philip Selwood, Energy Savings Trust | Private Sector |
| Richard Priestman, Lombard | Financial/Productivity Expertise |

Improvement and Innovation Board Agenda

Thursday 7 November 2013

11.00am

Smith Square 3&4, Ground Floor, Local Government House

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| 1. Declaration of Interest | |
| Opportunity for Members to declare any personal or prejudicial interests. | |
| PRODUCTIVITY | |
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| Andrew Grant, Chief Executive, Aylesbury Vale will be teleconferencing in to speak about the council's experience of working with their LGA Productivity Expert. | |
| IMPROVEMENT | |
| 3. LGA Business Plan 2014/15; Improvement board priorities and work programme; improvement work of other LGA Boards. | 25 |
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Date of the next meeting – 21 January 2014 Local Government House, London at 11.00am

Productivity Work Programme

Purpose of report

This report updates the Board on the progress being made in the Productivity Programme, and sets out under each main area of activity our plans for work in 2014/15.

Recommendations

That the Board:

1. Note the updates to the Programme, and comment on the forward programme for 2014/15 as set out under each main programme heading.
2. Note the allocation of awards in the Growth Adviser programme, as set out in **Appendix A**.

| | |
|-------------------------|--------------------------------|
| Contact officer: | Brian Reynolds |
| Position: | Principal Adviser Productivity |
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Productivity Programme Update

Background

1. The Board have previously approved the Productivity Programme to develop and operate a range of programmes to improve productivity and efficiency in councils. This report provides an update of that programme, and a forward look into 2014/15.
2. The LGA productivity web-page is the most accessed URL; it has been renamed 'productivity and commissioning' and now collates the various different initiatives that the LGA provides around commissioning, such as the Commissioning Academy and the Keep it REAL support programme. This is in response to a number of requests from councils on the LGA commissioning offer, and will make it easier for councils to access information on support in this area (previously found in an obscure part of the website). The page location has not changed: www.local.gov.uk/productivity

Capital & Assets, and Economic growth

Economic Growth Advisers Programme

3. The Board will recall that the LGA launched its prospectus for the Economic Growth Adviser programme in June, with the aim being to offer direct bespoke support and advice to local authorities to help them generate economic growth in their area. The LGA put together a panel of qualified Experts/ Advisers with a proven track record in their field and with the expertise and proven ability to work with local authorities to deliver results.
4. A very large number of councils responded: over 90 including other public bodies such as National Parks Authorities, in 75 separate bids. An extensive shortlisting exercise took place; matching of advisers to needs was carried out; and 29 successful applicants involving 38 authorities and partners were notified last month.
5. The most common requests for support were in the fields of inward investment and business engagement but high quality bids were also received from rural and coastal areas. A full list of successful authorities is contained in **Annex A**.

One Public Estate

6. Members will be aware that the LGA is running a 'capital & assets' programme on behalf of the Cabinet Office called *One Public Estate*, following the successful first three waves run by the LGA.
7. It was reported at the last Board meeting that discussions were being held with Cabinet Office about the level of resources being made available to the 12 pilot local authorities and these have now been increased from around £23,000 each, to around £40,000 each.

Looking Forward to 2014/15

Strategic Land Review

8. Members may be aware that the 2013 Spending Review, *Investing in Britain's Future*, contained a commitment to realise £5bn worth of public sector land between 2015-2020 for more productive economic use in the public and private sectors; it is estimated that the public sector holds up to 40 per cent of developable sites in Britain. The Cabinet Office have asked the LGA to run this programme, and other land and property initiatives that may arise, and discussions are on-going as to the precise terms for this work.

Future Ways of Working

The Productivity Expert Programme

9. The Productivity Expert programme allocates funding to councils to enable them to engage an expert in their field to provide the necessary skills and expertise to help deliver efficiency savings. Seven expert appointments, covering 10 councils have been assessed: for an LGA investment of £46,000 efficiency savings of £25 million have been identified and are being delivered by councils. Details were reported to the September Board meeting and can be found on the productivity page of the LGA website.

Customer Led Transformation

10. Between 2009 and 2011, the Customer-Led Transformation programme supported by the LGA, invested £7 million from the Efficiency and Transformation Capital Fund to support councils embed the use of customer insight and social media tools and techniques as part of their approach to transforming local services. The aim was to help councils engage with and understand their customers better and to drive the re-design of local services, making them more targeted and efficient.
11. The LGA delivered this programme managing the 63 projects which were selected against criteria that promoted efficiency, enhanced citizen empowerment and addressed a major priority facing local service providers, whether this was reaching particular customer groups such as vulnerable older people, or tackling a 'wicked problem' such as worklessness. The projects were led by councils and involved local partners from the public, voluntary and community and private sectors. Detailed case studies for the completed projects are on the LGA website.
12. Officers have just carried out an evaluation of this programme and will launch the findings in a report at an event on December 3, as well outlining the benefits these projects delivered to customers and the community, to councils and their partners.
13. The evaluation highlights that the programme helped deliver over £311 million of financial benefit to the public and public services.

Looking Forward to 2014/15

Shared Services

14. The Team produce an annual map of all notified shared service arrangements between councils in England which between 2011 and 2012 had increased from 173 arrangements saving £165m, to 281 saving £263m. This map will be refreshed again in the New Year and it will be an interesting proxy of the state of financial health of English local government. One of the Principal Advisers coordinates a meeting of Shared Chief Executive arrangements, to which Leaders are also invited.

Innovation

15. The aim for the next phase of innovation activity at the LGA is a more co-ordinated approach across the organisation with greater focus on dissemination of the good practice examples which produce the largest cost reductions. We are evaluating the scope to launch one new programme focussing on a particular service area for a safe space, incubation approach to innovation. There is a need to strengthen the links and evidence of innovation leading to savings and improved outcomes for local people. Shifting the perception of innovation from a “nice to do” to being vital for the future survival of public services.

Income Generation

16. As councils are facing a 40% decrease in their funding they are starting to look at the income as well as the expenditure side of the balance sheet in order to protect valuable frontline services. A more commercial approach to their activities requires both ensuring better outcomes for citizens as well as a close alignment to their corporate plans and objectives - and it needs to be significant.
17. The matter of increasing fees and charges are for councils to decide locally and not for the LGA to comment on.
18. Our research so far shows that Councils' income generation activity falls broadly into the following three areas:
 - 18.1 Generating income through council assets, for example, buildings, parks and open spaces but also through staff, knowledge and experience.
 - 18.2 Through service delivery by trading services with other councils or winning new business to deliver services to other parts of the public sector.
 - 18.3 Through selling commodities e.g. recyclables and other waste.
19. The LGA is supportive of relevant and significant income generation initiatives and is hosting an event at the LGA offices on the 13th January 2014 entitled “Councils innovating to generate income.”

Children's, Families and Adults

ASCE Programme

20. The Board will recall that the LGA Adult Social Care Efficiency (ASCE) Programme was launched early in 2012, and that an interim report was produced in July 2013. It captures the lessons from the first year of the delivery phase, and develops evidence about how savings can be delivered for the benefit of all local authorities.
21. Efficiency savings in the first year were an average 5.7% of the budget, with the modal (most frequently reported) saving being 7%, in line with the recent ADASS Survey of Local Authority efficiency savings.
22. At present the Councils are projecting a further saving of 5.7% for 2013/14, 5.3% for 2014/15 and 4.9% for 2015/16, however these figures are likely to have increased following the Spending Review. Last year the majority of the savings were achieved by reviewing packages of care, improving procurement processes and cutting services. Participants on the programme project that future savings will be achieved by managing demand for services and focusing on preventative activity to reduce the reliance on state funded support.

Looking Forward to 2014/15

23. The 'Interim Position' report for the Adult Social Care Efficiency Programme identified learning disability services as an on-going challenge for local authorities. The number of adults with learning disabilities is increasing, and the needs of these adults are becoming increasingly complex, with costs rising accordingly.
24. A new research study commissioned by the Local Government Knowledge Navigator reveals that 29,000 adults with a learning disability live with parents aged 70 or over and only one in four of these people has a contingency plan in place for future care.
25. There is a strong rationale for supporting the sector to identify new models of care that promote well-being and independence and at the same time deliver the efficiency savings required at this time. The Productivity Team are currently working to secure sponsorship to develop this strand of work, which is being supported by the Department of Health. An event is being planned for January to help shape the future work and to share lessons from the ASCE programme and from the wider sector to date, and further activities will follow.

Commissioning and Procurement

New EU Procurement Directives

26. Members will be aware of the work being undertaken by our Brussels office on the revised EU procurement directives; these were reported to the Board in July. The changes seek to support UK Government priorities of economic growth and deficit reduction by making the public procurement process faster, less costly, and more

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effective for business and procurers alike. For councils, this means being able to run procurement exercises faster, with less red tape, and more focus on getting the right supplier and the best tender. For suppliers, the process of bidding for public contracts should be quicker, less costly, and less bureaucratic, enabling suppliers to compete more effectively.

27. Member States are required to transpose the directive, by making national implementing regulations within 2 years from the date of EU adoption. However, Cabinet Office is looking to transpose these directives early (in 2014) so that we can take advantage of the additional flexibilities in the new rules as soon as possible.

28. We are currently being consulted by Cabinet Office on a number of different 'policy choices' within the new directives (the rules allow for a degree of flexibility on these particular rules). We are working with our sector led National Advisory Group (NAG) and SOPO, the professional association, to formulate the local government response to the following consultations:

- 28.1 Termination of Contracts;
- 28.2 Provisions related to SME access to public contracts;
- 28.3 Procedures;
- 28.4 The new 'light touch' rules regime for health, social and other services.

29. Officers will keep the Improvement and Innovations Board informed of progress and any issues that need their input.

Procurement Category Management Pilots

30. In 2012, the LGA funded a programme to encourage the development of innovative and replicable category management procurement initiatives. From a strong field of applicants the LGA identified eight projects (involving over 70 councils) and each project received £20,000 to support their approach.

31. Each project agreed to work with the LGA to capture and share their learning to help other councils replicate the benefits realised and to raise awareness and share good practice across the local government sector. The programme covered a range of services across the procurement spectrum from the development of a spend analysis tool to understand current spend, through to developing better contract management processes once the procurement process was completed and the contract in place.

32. The projects have now been completed and we will be publishing a report setting out the results so far later in November. The review has identified the following four key factors for success:

33. Leadership: Major procurements across a number of organisations take time. They require leadership and commitment from all the partners involved to drive through. This includes making sure that the support and commitment is in place at senior level, both political and managerial, in all the partner organisations.

34. Scoping: To ensure that the specification for the goods/service delivers what the client requires, it is important to invest time up front to develop this properly. Getting the requirement right, developing the opportunities for wider collaboration, identifying and building on what has worked well elsewhere and engaging with suppliers to understand what they can offer are all vital ingredients.
35. Resourcing: Like any project, collaborative procurements need upfront investment in time and resources to ensure it delivers the benefits through the life of the resulting contracts.
36. Stakeholder engagement: Collaborative procurement, by its very nature, is likely to have a wide group of stakeholders from the partner organisations involved in the procurement exercise right through to the customer for the service being provided. Knowing who, when and how to involve them, is again a key factor for success.

National Procurement Strategy

37. Members will recall that Andrew Smith, Chief Executive of Hampshire County Council, led an investigation on behalf of the LGA's Productivity Programme, into the potential opportunities for councils to collaborate more in the purchase of goods and services in the big spend categories – this approach is often referred to as 'category management'. Deloitte were appointed and produced a draft Local Government Procurement Strategy, 'The Case for Change' which was reviewed by the LGA Improvement and Innovation Board, and a group of senior procurement officers who sit on the LGA National Advisory Group (NAG).
38. The report highlighted three broad themes for the sector to focus on:
 - 38.1 One Cohesive Voice – influencing policy and responding to key issues as a collective local government procurement group.
 - 38.2 Procurement at the Top Table – gaining recognition of procurement as strategically important (engaging support from senior councillors and officers).
 - 38.3 Strategic Category Management – leadership of key spend categories across the sector to drive market management, develop new models of service delivery and deliver policy through procurement.
39. LGA officers have been working with NAG to take these findings forward:
40. Strategic Category Management - the following councils and have taken the lead with the LGA and the sector, and the appropriate procurement organisations, to carry out a stronger analysis of the potential for collaboration in the three big spend categories:
 - 40.1 Energy – Bristol City Council
 - 40.2 Construction - Lincolnshire Procurement partnership (lead council Lincolnshire County Council)
 - 40.3 ICT - LB Camden
41. Energy spend by councils is thought to amount to around £1.1bn per annum, and officers and the sector have concluded that the nature of the supply market makes further collaboration in purchasing of only limited value in achieving savings. The supply market

is heavily influenced by two factors: a small number of large providers, and by global movements in production outputs. Concerning the former, it is perhaps of little surprise that DECC have concentrated on supporting various 'collective switching' (or: 'reverse auctions') arrangements given the limited impact OFGEM and regulation has had on price. Similarly, Members will be aware of the very significant impact global confrontation in oil producing areas, or new energy sources such as shale gas in the US, can have on price. As a result the NPS will concentrate on:

- 41.1 Issuing a Buying Guide for councils on energy buying by end of November 2013 - better tariff management will result in savings.
 - 41.2 A closer working relationship with suppliers to enable a better understanding of how the market operates to maximise savings.
 - 41.3 There are existing collaborative arrangements in energy purchasing: 313 councils purchase through a consortia of some kind, with 77% of them purchasing through just four consortia. Given the cost of energy buying, some further rationalisation may be worthwhile, and discussions will continue with the sector on this through the autumn.
42. Members will also be aware that the LGA runs a Collective Switching Scheme with Peterborough Council - the scheme continues with 3 rounds complete, and a 4th round now underway, and has signed up over 35,000 people; those who actually switched have made an average annual saving of £109. The LGA is also participating in a major retrofit programme with the Energy Technology Institute (ETI), a government quango.
43. ICT procurement by councils is valued at around £2.2bn per annum nationally with all core markets in hardware, software and telecoms dominated by the same small pool of national and multi-national suppliers across the country. The current fragmentation of council engagement with this supplier base means a significant loss of leverage which creates costs, inhibits service, and reduces the public sector ability to drive innovation by demanding new technology delivery models. There is a clear opportunity to drive savings through joint procurement and supplier relationship management, and officers leading on this workstream believe that the potential savings are within a range of 5%-10% and are developing the following:
- 43.1 Sector wide MoUs with renegotiated rates for specific IT suppliers for councils working with these suppliers to use – two are already in place for Northgate and Capita.
 - 43.2 A new Local Government Software Application procurement framework (by December 2013).
 - 43.3 SOCITM sponsorship and support, including an active governance panel comprising CIO representation from each region to drive a national approach.
44. Construction amounts to around £10.3bn of council spend. The 'Government Construction Strategy' was published in May 2011 with the intention of achieving 15%-20% savings in government construction schemes. BIS and DCLG have been keen that local government adopt many of the strategy's proposals, but the sector have advised that there is a significant difference in the two sectors' procurement, and that the lessons might not translate as simply as Government believes. Firstly, central government construction is worth 11 times that of local government and is increasing; local

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government construction is declining (particularly as school procurement moves out of LA control) and tends to relate to much smaller, less complex, schemes such as housing, roads, etc. As a result, profit margins tend to be much lower in local government construction programmes, with the bigger wins being potentially in the supply chain. As a result the NPS priorities revolve around:

- 44.1 Establishing a comprehensive database of current construction frameworks in September 2013 to assess their value.
- 44.2 Discussions with the major materials suppliers to establish whether a more efficient 'call-off' contract for the sector could achieve major savings.
- 44.3 A simpler route in to council construction contracts with one standard pre-qualification questionnaire for construction – PAS 91 for all council construction.

Procurement at the Top Table:

- 45. Trish Haines, Chief Executive of Worcestershire County Council, has agreed to act as a lead on this agenda with the support of the LGA, to highlight procurement as a strategic priority for councils. She will be delivering the keynote address at the annual SOPO conference in November with Councillor Peter Fleming.
- 46. The LGA has recently revised and published, 'A Councillor's Guide to Procurement' which explains the commissioning cycle, procurement processes, and highlights critical success factors.

Contract Management

- 47. Contract Management was identified in the NPS as an important work stream for councils to help them work more effectively with their suppliers and better manage their costs once the contract is up and running. The LGA has been working with the Audit Commission, who carried out research on the different approaches applied by different councils to produce a report to highlight the benefits and show case examples of good practice.
- 48. The report will be launched at the Society of Procurement Officers (Sopo) annual conference on 11 November. However we also want to make sure that the learning from these examples and the principle of good contract management are picked up and used by other councils so will promote it more widely.

Commissioning Academy

- 49. The Commissioning Academy pilots completed in April 2013 and the pilot participants now form the first members of the Commissioning Academy alumni. The Alumni are continuing with implementation of their 100 Day Plans and are enthusiastic supporters of the Commissioning Academy, 'giving back' to the programme for example by providing speakers and site visits. In total 23 councils have taken part in the academy - both as pilots and as part of the rollout.

Looking Forward to 2014/15

Procurement fraud

50. According to 'Fighting Fraud Locally' Procurement fraud costs local government some 10 per cent of spend or £890 million per year. We do not have up to date primary data nor evidence to support this figure, although joint research by CIPS and CIPFA (2011) of procurement in all sectors found that almost one in ten respondents (9.3 per cent) confirmed that their organisation had suffered at least one procurement fraud in the last year and more than two-fifths (40.7 per cent) said that spend on construction is at greatest risk from procurement fraud.
51. The Productivity team is currently considering how best the LGA could help councils by signposting them to the NAG guidelines when they are published; working with CIPS and CIPFA to repeat their 2011 survey (but just with public sector); and pulling together a general guidance leaflet which would be published through NAG.

Spend Survey

52. The LGA and sector are regularly subject to requests for spend information or have to counter figures that are estimated/created by consultants and used against the sector.
53. The Productivity Team propose to create a survey to send to all English Councils which will give the sector top line procurement spend data. This will be separate to (but recognise the findings of) the FSB/NCVO surveys. The purpose is to provide the sector with top line data that we can use to quantify:
- 53.1 the amount of procurement spend of English local authorities by category
 - 53.2 the amount of spend with different types of suppliers – SMEs, voluntary sector organisations (to help with Social Value Act); and
 - 53.3 The amount of spend 'locally'

Waste and Housing

Waste

54. Monetising Waste: Members may recall that at September's Improvement Board approval was granted to progress the soft marketing phase of the Monetising Waste Programme. Research commissioned by the LGA showed that some councils received as much as £55 per tonne for their recyclates, whilst others paid as much as £73 per tonne to have them taken away. The average UK gate fee for councils was £9 per tonne paid to take recyclates away – this compares with an average income in 2011 paid by MRFs (Materials Recovery Facility) to councils of £26 per tonne.

55. The proposal to the sector is that the Productivity Team look to fund a contract renegotiation expert with a number of councils, and share in the savings achieved. This would be a different model than in the past: generally the LGA has worked by grant aiding individual councils, with all the financial benefits being retained by the local authority. However, the potential gains from a renegotiated waste recycles contract are very considerable; our analysis shows that working with 25 councils delivering around 25,000 tonnes of recycles per annum could achieve savings of over £10m to those councils. This is a conservative estimate.
56. As this is a new approach to seeking productivity improvements with our member councils, officers will “market test” the approach before launching a formal programme by way of a prospectus, and inviting councils to apply. Feedback of the soft marketing test will be provided at a future board meeting.
57. Waste Innovation Programme: The Waste Innovation Programme is a pilot set up to investigate the impact of the use of Food Waste Disposers (FWDs) in kitchen sinks, enabling households to dispose of food waste through the waste water stream without the need for it to be collected. Food Waste equates to around a fifth of council’s landfill costs, and approximately 70% of the content of food waste is water.
58. The programme is run across 2 sites the first in Shrewsbury, Shropshire and the second in Rissington in the Cotswolds. To date over 150 properties have been fitted with FWDs across both sites, with this rising to 350 properties by April 2014.
59. A Monitoring exercise commenced at the Shropshire site in April 2013 and chiefly consists of monthly CCTV surveys and wastewater sampling in the sewers. To date there have been no identifiable negative impacts on the sewer system; the sampling regime is set to run until March 2014 in order to capture any long-term effects. Monitoring at the Rissington site commenced in September 2013.

Looking Forward to 2014/15

Housing

60. The Productivity Team will be working with the Finance and Policy Team to jointly develop an institutionally funded housing offer for a group of local authorities. The intention would be to form a consortium of local authorities who have land and housing need, and who wish to access significant development funds. The project will also deliver examples of housing investment partnership models and advice for local authorities on options, risks, opportunities and barriers.
61. This work will be delivered jointly with and will complement the wider work being led by the Environment and Housing Board to demonstrate that councils and ALMOs are ideally placed to invest in housing and can do so in a way that delivers value for money for the public purse. A combination of research activity and soft market testing with both councils and potential funders is planned between November and January, with the aim of more formally engaging both sectors later in the New Year.

Financial Implications

62. The draft business plan for 2013/14 includes resources to develop the productivity programme to support councils improve productivity. Capacity to support the programme has also been built into the LGA budgets and business plan.

Appendix A

List of Growth Adviser Councils

| Council | Type | Region |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------|
| Peak District Partnership Derbyshire Dales District Council, High Peak Borough Council and Staffordshire Moorlands District Councils and the Peak District National Park Authority. | Shire District | East Midlands |
| Bolsover District Council and North East Derbyshire District Council | Shire District | East Midlands |
| Basildon Council | Shire District | East of England |
| Ipswich Borough Council | Shire District | East of England |
| Maldon District Council | Shire District | East of England |
| Babergh District Council and Mid Suffolk District Council | Shire District | East of England |
| South Norfolk Borough Council | Shire District | East of England |
| Stevenage Borough Council | English Unitary | East of England |
| Waltham Forest Council | London Borough | London |
| Barking and Dagenham | London Borough | London |
| Kensington and Chelsea | London Borough | London |
| Gateshead Council | Metropolitan District | North East |
| Hartlepool Borough Council | English Unitary | North East |
| Stockton Borough Council | English Unitary | North East |
| Sefton Metropolitan Borough Council | Metropolitan District | North West |
| Eden District Council | Shire District | North West |
| Wyre District Council | Shire District | North West |
| Arun District Council | Shire District | South East |
| East Hampshire District Council | Shire District | South East |
| Canterbury City Council | Shire District | South East |

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| | | |
|----------------------------------------------------------------------------------------------------|-----------------------|--------------------------|
| Cherwell District Council, South Northants District Council and Stratford-on-Avon District Council | Shire District | South East |
| Epsom and Ewell | Shire District | South East |
| Reading Borough Council | English Unitary | South East |
| Cornwall Council | English Unitary | South West |
| Exeter, East Devon, Teignbridge and Devon County | Shire District | South West |
| Mendip District Council | Shire District | South West |
| Worcestershire | Shire County | West Midlands |
| Hull City Council | English Unitary | Yorkshire and the Humber |
| Rotherham Met Borough Council | Metropolitan District | Yorkshire and the Humber |

LGA Business Plan 2013/14

Purpose of report

For discussion and agreement.

Summary

At the last meeting the Board agreed the 5 strategic themes for the coming year. This report provides further details about the key activities under each theme; the improvement activity currently underway across other LGA Boards and invites the Board to contribute to the LGA's Business Planning process for 2014/15.

Recommendations

That the Board:

1. discusses and confirms the key activities for the Board's work programme for the 2013/14 meeting cycle.
2. notes the improvement activity being undertaken by other LGA Boards
3. contributes to the development of the LGA's Business Plan for 14/15.

Action

Officers to progress the Board's agreed priorities and activities in the light of members' views, reporting regularly to the Board.

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Priorities and Work Programme for 2013/14

Background

1. At the last meeting the Board considered its proposed priorities and work for 13/14 in the light of the LGA Business Plan and the LGA's *Rewiring Public Services* work.

2. The LGA Business Plan indicates that:

*At the heart of all this work, are our core services to councils which are driven by our belief in **sector-led improvement**. Supporting local government as the most efficient and accountable part of the public sector, the LGA will play a leading role in improvement and innovation so that councils can continue to make a difference in their local areas and to the lives of their residents.*

3. The Business Plan also reaffirms the LGA's role in maintaining an overview of performance and sets out our approach to supporting councils and the LGA's role in providing and coordinating the necessary tools to support councils.

4. Based on the Business Plan priorities, the *Rewiring Public Services* work, and previous discussions around the end of year report, the Board agreed that its work programme for the coming year should continue to be focused on the following 5 strategic themes:

4.1 Sector Led Improvement

4.2 Productivity

4.3 Innovation

4.4 Leadership

4.5 Transparency.

5. The Board asked for a further report setting out the key activities and milestones under each of the key strategic themes and these are set out for members' consideration below and at **Appendix A** attached.

5.1 Sector Led Improvement, including Audit

5.1.1 Continuing to promote and deliver the LGA's core "offer" to support councils in making the most of their approach to sector led improvement: this includes corporate peer challenge.

5.1.2 Developing new offers in response to changing circumstances and demand: e.g. the new finance offer; development of the new Health and Well-being Board Peer Challenge which are going down well (six have been completed so far: E Riding, W Sussex, Bristol, Sefton, Merton, and Coventry).

5.1.3 Supporting individual councils and groups of councils where they may be facing performance challenges.

5.1.4 Contributing to the improvement activity undertaken by other LGA Boards.

5.1.5 On-going evaluation of the impact of sector led improvement with the final results to be reported to the Board in the New Year. This work will contribute to future top slice discussions and help shape our future sector led improvement offer.

Item 3

- 5.1.6 Local Audit and Accountability Bill: further lobbying on the Bill in order to secure an amendment to enable a sector led approach to procurement; develop proposals for a sector led commissioning offer; and explore potential legacy issues with the Audit Commission e.g. the value for money profiles and other tools.

5.2 Productivity

- 5.2.1 Continue to deliver the Productivity programme agreed by the Board. The programme is focussed around four key themes

- 5.2.1.1 Children, adults and families
- 5.2.1.2 Procurement, capital and assets, economic growth
- 5.2.1.3 Waste, energy and other commissioning
- 5.2.1.4 Future ways of working.

- 5.2.2 A full report updating the Board on the progress being made in the Productivity Programme, and setting out activity plans for work in 2014/15 is elsewhere on the agenda.

5.3 Innovation

- 5.3.1 Working with NESTA to extract and promote the learning from the Creative Councils programme which draws to a close in November 2013 – this will include a repeat of the successful “Innovation Zone” at the LGA’s Annual Conference in 2014.
- 5.3.2 Developing a revised work programme on “Innovation” to be submitted to a future meeting of the Improvement and Innovation Board.

5.4 Leadership

- 5.4.1 Draw to a close the current programme of leadership development programmes and activity.
- 5.4.2 Launch the new leadership programme; manage a successful transition to the new programme and undertake further marketing and promotion.
- 5.4.3 Continuing to run the successful National Graduate development programme with marketing for the Cohort 16 intake (2014) this Autumn.

5.5 Transparency

- 5.5.1 Make LG Inform available to the public on 29 November 2013; make LG Inform Plus ward profiles available to councils; and work with councils to deliver more up-to-date data comparisons as part of an LG Inform ‘benchmarking club.’
- 5.5.2 Continue to promote the use of LG Inform and LG Inform Plus within councils, both corporately and with residents and continue to improve and develop LG Inform and LG Inform Plus in the light of feedback to support authorities.

Item 3

- 5.5.3 Manage £1 million of Breakthrough Fund programme to support authorities in releasing open data.
- 5.5.4 Promote a greater understanding of and good practice in publishing local open data and data standards, encouraging uses in business and community and within authorities.
- 5.5.5 Support a local information infrastructure as an enabler for combining and comparing local data and information to make it more meaningful and useful.
- 5.5.6 Lobby for key government transparency policies to take account of local authorities' and communities' interests.

Board – Ways of Working

- 6. At the last meeting it was agreed to invite members to express preferences about those areas of the Board's activities that they would like to get more involved with. This allows the creation of a pool of interested councillors from varying political groups under each strategic theme. The nature of members' involvement will depend on the pattern of work in each area. From each pool the Board also currently appoints a lead member or "portfolio holder" for each area. The "Portfolio holders" have a variety of roles, all of which are an extension of the role of members of the board. They might include: representing the Board at external and LGA events (speaking on behalf of the LGA and whole Board, not their political group); engaging at a national level with key stakeholders, contributing to the planning and presentation of items within their portfolio to the Board, etc. At the time of finalising this report a number of requests were still outstanding but it should be possible to finalise the allocations shortly.

LGA Board's Improvement work

- 7. The Improvement and Innovation Board has a specific remit providing an overarching framework for the sector's work on sector led improvement and a strategic oversight of the improvement activity and support provided by other LGA Boards. This is reflected in the Improvement and Innovation Board's terms of reference agreed at the last meeting.
- 8. Further details of the improvement activity being undertaken by LGA Boards is attached at **Appendix B**.

Business Planning for 14/15

- 9. At its meeting on 23 October the LGA Leadership Board considered an approach to developing next years business plan. It recognised that the high level priorities identified for 2013/14 are still broadly relevant for 2014/15 and that there is value in having a settled set of priorities for the organisation, particularly at this stage in the political cycle.
- 10. However, over the last year the LGA has also developed a stronger narrative about our vision for local government as set out in the Rewiring Public Services work, and this work now needs to be played into the business planning process for 2014/15. The Leadership Board has therefore agreed **Appendix C** attached as an initial Business Plan proposition for discussion.

11. The Improvement and Innovation Board is invited to comment on and contribute to this initial proposition in advance of further consideration by the Leadership Board in January.

Next Steps

12. Members are asked to discuss and confirm the activities under each of the five strategic themes set out above. Progress will be reported regularly to the Board and, as the body with responsibility for holding all Boards to account, every quarter the LGA Executive will also receive an overview of all Board's work programmes and progress.

Financial Implications

13. While there are no additional financial implications or costs arising as a result of this report, it should be noted that much of the work set out is funded by RSG 'topslice' which, as Members will be aware has been reduced in 2013/14.

ANNEX A

DRAFT: LGA Improvement and Innovation Board: Priorities and Work Programme 2013/14

| Strategic Themes | Objective | November | December | January | February | March | April and beyond |
|--------------------------------------------------|-----------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board Meetings | | 07-Nov | | 21-Jan | | 18 March: possible "Away Day" | 20-May |
| Sector led Improvement | | | | | | | |
| Peer Challenge | | | Cardiff impact evaluation received | Initial lessons from evaluation and analysis of next tranche of CPCs | | | |
| Evaluation | | On-going evaluation | On-going evaluation | On-going evaluation | On-going evaluation | Key findings reported to I&I Board | Draft evaluation report submitted to I&I Board |
| Audit and Accountability Bill | | | | Royal Assent | | | |
| Productivity | | | | | | | |
| Children's, adults and families | | | | ASCE Programme Conference – date tbc | | | |
| Procurement, capital and assets, economic growth | | | <ul style="list-style-type: none"> Contract Management Report launch – 11th November Category Management Programme Reports – date tbc | NPS Construction Conference - date tbc | Social Value Act, One Year On event - date tbc | Procurement spend data survey – date tbc | |
| Waste, energy, other commissioning | | | | Monetising Waste – market testing results – date tbc | | Future Councils Programme - Final Report | <ul style="list-style-type: none"> Housing Tenancy Fraud Pilots Final Report – May 2013 New Housing Offer for 2014/15 FWD programme findings and event - June 2014 |
| Future ways of working | | Shared Services Map refresh | CLT findings report launch 3 rd December | Income generation conference 13 th January | | | |
| Innovation | | | | | | | |
| Creative Councils | | 20 Nov Dissemination event | | Commissioning Academy, 1 year on event - date tbc | | | |
| | | | | Work programme to submitted to I&I Board | | | |

LGA Boards' improvement activity

Children and Young People Board

Following the withdrawal of DfE funding in April 2013 (and subsequent consultation with local authorities), the LGA Children and Young People's Board agreed that the LGA would continue some key elements of the Children's Improvement Board led programme and continue to work in partnership with ADCS and SOLACE to support councils and to continue a high level dialogue on improvement and on the relationship with regulation by Ofsted.

The key elements of the sector-led offer are:

- a leadership academy for lead members for children's services (with 13 attending the most recent one in September);
- joint work on leadership in partnership with SOLACE and the Virtual Staff College (who provide leadership support for DCSs);
- quicker and easier access to data reports on children's services;
- the safeguarding peer review and shorter "diagnostics" on safeguarding and care;
- and up to five days immediate specialist children's services support for councils receiving an inadequate Ofsted judgement.

The LGA's Principal Advisers are the first point of contact for advice for councils and each region has a lead member, a chief executive and a DCS who leads on sector-led improvement, as well as the regional networks of lead members for children who receive regular updates from the LGA.

<http://www.local.gov.uk/cyp-improvement-and-support>

Community Wellbeing Board

The Board provides input to, and receive reports from, a number of joint sector led improvement and implementation programmes, funded by the Department of Health, in the following areas:

Health and Wellbeing System Leadership: Health and Wellbeing Boards are in their first year of full operation. Bringing together local leaders from health and local government, they are becoming the focal point for local decisions on health priorities, health service reconfiguration and integration. As a result of negotiations with DH, NHS England, Public Health England, and Healthwatch England, the LGA was able to bring together separate funding strands into a single funding grant of £1.925 million for 2013-2014 to provide a health and wellbeing system support programme.

The LGA's work to support system leadership and health and wellbeing boards is focused on:

- influencing and supporting the integration of health and care along with other local services

- supporting health and wellbeing boards to develop their system leadership capacity
- working with national partners to develop a joint approach to leadership at a national and local level.

http://www.local.gov.uk/health/-/journal_content/56/10180/3767240/ARTICLE

Healthwatch and patient and public engagement in health and social care: Healthwatch works at national and local level to ensure a strong voice for patients and the public in the commissioning and provision of healthcare, public health and social care services. Local Healthwatch is commissioned by upper-tier councils and the LGA has developed the Healthwatch Implementation Team to support councils in this role.

http://www.local.gov.uk/health-wellbeing-and-adult-social-care/-/journal_content/56/10180/3492011/ARTICLE

Towards Excellence in Adult Social Care (TEASC) programme. This is a DH funded programme of sector led improvement in adult social care. The work will have a focus on the role of innovation, peer challenge and new ways of engaging with local people and data, to drive improvement in the quality of local services. It includes delivery of the LGA's safeguarding adults programme to support councils in their lead roles in safeguarding by influencing policy, sharing good safeguarding practice and providing support for improvement.

http://www.local.gov.uk/adult-social-care/-/journal_content/56/10180/5516287/ARTICLE

The LGA is co-delivering, with NHS England, the two-year **Winterbourne View Joint Improvement Programme**. The Programme aims to provide leadership and support to transform services locally to ensure that services are personalised, safe and local, building on current good practice. The aim is to support local areas to provide swift and sustainable action across the system and across people's life course. This should result both in a movement away from the use of long stay, large-scale hospital services and also lead to real and rapid change in the attitudes and culture around care.

http://www.local.gov.uk/web/quest/adult-social-care/-/journal_content/56/10180/3912043/ARTICLE

Care and Reform Support joint programme office: After a number of years lobbying for changes in care and support legislation it is before Parliament in the form of the Care Bill. The care and support reform agenda is complex and wide-ranging. We will need to support councils by raising awareness of the agenda (both to the sector and beyond), gathering intelligence on 'ground level' issues as they emerge, and sharing best practice. We are currently working to co-design and manage, with ADASS and DH, a Care and Support Programme Office, funded by DH. This office will support the delivery and implementation of the Care Bill and related reforms in a way which ensures that they fully reflect the views of local government.

The Integration Transformation Fund (ITF): £3.8 billion was announced in the June Spending Round to improve integration between health and social care. This is a significant

opportunity to improve the lives of some of the most vulnerable people in our society and make savings for the public purse. The funding is described as: “a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities”. To access the ITF each locality will be asked to develop a local plan by March 2014, which will need to set out how the pooled funding will be used and the ways in which the national and local targets attached to the performance-related £1 billion will be met.

http://www.local.gov.uk/health-wellbeing-and-adult-social-care/-/journal_content/56/10180/4096799/ARTICLE

Culture Tourism and Sport Board

The Culture Tourism and Sport Board has led the delivery of a sector-led improvement programme for culture and sport portfolio holders building on the key components set out in Taking the Lead i.e. strengthening local accountability, investing in leadership, learning from good practice, peer challenge and transparent information. Much of the activity is delivered in partnership with the DCMS Non Departmental Public Bodies.

In July the CTS Board agreed a programme of improvement activity for 2013/14 that will enable the Board to reach over 100 councillors through leadership academies, seminars, action learning sets and peer support. Topics covered include libraries, the visitor economy, sport, heritage and a new Cultural Academy.

<http://www.local.gov.uk/culture-and-sport-improvement>

Economy and Transport Board

The LGA's growth offer to councils was promoted at this year's annual conference and is described in “Investing in local economic growth’ – the LGA's offer of support to councils 2013/14”.

http://www.local.gov.uk/c/document_library/get_file?uuid=ef1944ec-1e3c-41bb-bec6-6a3c4870a333&groupId=10180

A number of councils that have received a corporate peer challenge have chosen to focus the flexible element on local growth ranging from inward investment strategies; to how open services are to business; and to overall economic strategy. A selection of case studies is being drawn together to illustrate and promote this work. Nearly 70 councils took part in a recent ‘Making you LEP work’ event, jointly organised with the LEP Network.

Environment and Housing Board

The Board's two main programmes are:

Supporting councils to drive improvement in planning. This is a priority for the Board with the aim that councils are effectively supported on priorities in planning including getting a plan in place and avoiding designation for poor performance. Experience from councils is

used to inform LGA policy development and good practice. The work is undertaken through the Planning Advisory Service which is funded by DCLG.

<http://www.pas.gov.uk/home>

Climate Local: Climate Local is the LGA's sector-led, voluntary initiative to support councils and share good practice on action to reduce carbon emissions and build resilience to a changing climate. Momentum in the initiative continues to build with councils setting out how they will take action on climate change, whilst, realising multiple benefits such as helping to create and protect jobs, reducing energy bills for everyone and developing local supply chains.

http://www.local.gov.uk/web/guest/the-lga-and-climate-change/-/journal_content/56/10180/3574359/ARTICLE

The Board has also published some good practice materials on housing and energy. It has:

- published a guide for elected members to support effective management of their housing stock under the new self-financing Housing Revenue Account. The guide is available on the LGA website. [Good practice principles to support the self-financed HRA](#)
- published a new case study resource on councils' work to cut energy costs for residents whilst creating jobs through schemes to improve the energy efficiency of homes. [case study resource on energy efficiency](#)
- published a collection of case studies on "Supporting housing and growth" showcasing how councils are taking action to unlock growth and get housing developments moving. The case studies are available on the LGA website. [Supporting housing and growth: Case study guide](#)

European and International Board

In responding to increasing international demand for English local government to support developing nations, the LGA has pioneered externally funded, demand led, international development peer-to-peer support packages. This model has projected our sector's self-support principles onto the global stage, recognising that councils across the world face similar economic, social and environmental challenges (delivering services with reduced budgets, ageing populations, youth unemployment etc).

The LGA was recently commissioned by the pan-African LGA to pioneer the model of local government peer review across African countries. To date, peer reviews led by African local government experts from thirteen African countries, shadowed by British local government peers, have been delivered in Namibia, Ghana, Cameroon and Uganda, with a fifth entirely African-led peer review recently completed in the Ivory Coast.

Safer and Stronger Communities Board

Community Safety Improvement Support: The Board will continue to work with community safety partnerships (CSPs) to help them become more efficient and effective so they are able to deliver safe and secure communities. Key priorities will be ensuring that relations with

PCCs are strong and productive, and that they have bespoke support on issues they are facing.

We have completed 26 Safer communities peer challenges (CSPs). Its central aim is to help community safety partners improve how they deliver outcomes to make local communities safer, drawing on the experience of peers and the best practice in the sector.

http://www.local.gov.uk/web/guest/peer-challenges/-/journal_content/56/10180/3511484/ARTICLE

Workforce Board

The Workforce team works with councils and other employers to support them to create a workforce able to respond to the major challenges within the public sector. Their support and specialist advice is designed to:

- help councils develop a flexible, engaged and productive workforce
- ensure that pay and reward is fair, affordable and effective
- identify, develop and provide tailored, innovative, interventions, products or advice that address the strategic workforce challenges facing councils in areas such as recruitment, skills, employee engagement, performance management, organisational restructuring and pay and grading structures.

For example:

The LGA has sponsored a programme to pilot a Decision Making Accountability (DMA) approach to organisation design in local government. The approach identifies the maximum number of management layers required for any organisation and the optimum design of accountability level. Its key aim is to protect front line services and ensure that these are supported by an efficient and accountable management structure. The use of DMA techniques has been found to create typical financial savings of between 5 - 20 per cent of management costs.

The workforce team produced "Pay policy and practice in local authorities: a guide for councillors" which provides elected members with a clear understanding of what a pay policy should contain and how best to scrutinise its application.

The team also continues to support a number of local authorities to resolve complex employee relations cases relating to senior managers.

<http://www.local.gov.uk/workforce>

Other area based initiatives:

Public Service Transformation Network: The Government's Public Transformation Network is intended to spread the opportunities created by Community Budgets around the country, leading to more joint working and shared services – it is intended to provide

dedicated support to help areas develop practical reforms and deliver better services for less at a local level. The first 9 areas to receive innovative support were announced at the LGA Annual Conference in July.

There has been strong interest in the network with over 40 expressions of interests covering more than 60 local authorities plus their partners. These areas will be offered light touch support from the network with the potential to have more intensive support at a later stage.

<https://www.gov.uk/government/news/nine-new-places-join-next-phase-of-local-public-service-transformation>

Health integration pioneers: In *Integrated Care and Support: Our Shared Commitment*, a collaboration of national partners (including the LGA) set out an ambitious vision of making person-centred coordinated care and support the norm across England over the coming years. The partners have signalled how they will work together to enable and encourage local innovation, address barriers, and disseminate and promote learning in support of better person-centred, coordinated care for the benefit of patients and people who use services, their carers and their local communities more generally.

The national partnership has therefore invited expressions of interest from local areas to become integration 'pioneers' as a means of driving forward change at scale and pace, from which the rest of the country can benefit.

This approach builds on the community budget pilots, which provided insights into co-designing integrated health and care. The pioneer programme will link directly with the Public Service Transformation Network extending across government and participating localities.

The partners aim to stimulate successive cohorts of pioneers, supporting them for up to five years. In return expecting them to contribute to accelerated learning across the system.

http://www.local.gov.uk/web/quest/search/-/journal_content/56/10180/3990688/ARTICLE

Transformation Challenge Award: This DCLG Challenge Award is available to support local authorities, including fire and rescue authorities, that are at the cutting edge of innovation for service transformation so that they are going further and faster in re-engineering service delivery and achieving efficiency savings. Such authorities can be exemplars for other local authorities across the country.

Local Government Minister Brandon Lewis announced (9 October 2013) that 18 local authorities will share a £6.9 million reward for radically overhauling how they do business, a part of the government's pledge to transform public services.

As announced in this year's Spending Review, in 2015 there will be a £100 million Transformation Fund to help even more councils to set up shared services, combining their operations for service delivery, including with other public and private sector service providers.

<https://www.gov.uk/government/news/can-do-councils-leading-transformation-of-local-government>

Systems leadership: Local Vision: The *Systems Leadership – Local Vision* programme was launched on 28th June 2013. The programme, is a collaboration between Public Health England, National Skills Academy for Social Care, NHS Leadership Academy, Virtual Staff College, Local Government Association and the Leadership Centre. It offers places the chance to advance leadership capability across public sector organisations through developing solutions to a breakthrough locality issue.

Neighbourhood Community Budgets: Following the success of the 12 neighbourhood community budgets programme, DCLG announced on 9 July 2013 a wider roll out. The Government is providing £4.3m of new financial support over 18 months to enable at least 100 communities to design and deliver local services that focus on local priorities, and reduce costs. It is hoped at least 20 of the 100 new areas will come up with very ambitious proposals focusing on large or complex services, such as adult social care or exploring complex delivery models, such as payment by results or the use of social finance.

http://www.local.gov.uk/web/guest/community-budgets/-/journal_content/56/10180/3691921/ARTICLE

2014/15 Business Plan - initial proposition

Our top priorities for local government are:

- **Funding for local government** – reform of the finance system so councils have confidence their financing is sustainable and fair, the opportunities to raise more funds locally and greater ability to promote collective working across local public services
- **Economic growth, jobs and prosperity** – councils are recognised as central to economic growth
- **Public service reform** – independent councils are at the centre, and seen to be at the centre, of public service reform, delivering more effective services for local people and holding other providers to account.

In our work on **Rewiring Public Services** we have described the changes needed at local and national level so public services can help communities meet people's future needs and aspirations. We have set out an approach that is innovative, deliverable and sustainable and which will tackle long-term structural issues.

Underpinning all of this are our core services to councils, helping them with sector-led support, improvement and innovation.

We will support councils with improving performance, effectiveness and efficiency. Our approach is based on four key principles:

- Councils are responsible for their own performance
- Councils are primarily accountable to their local communities
- Stronger local accountability and increased transparency drive improvement
- Councils have collective responsibility for the performance of local government as a whole.

The improvement and innovation services that we provide in support of this are funded by RSG topslice.

Sector led improvement evaluation: update

Purpose

For discussion

Summary

The final report of the LGA evaluation of sector led improvement is due to be published by May 2014. This paper outlines the plans for the final stages of the evaluation, as well as summarising the work that has been done to date.

Recommendation

That the report be noted.

Action

Key findings from the final evaluation report will be presented to the Improvement and Innovation Board at the March meeting, with the full report published by May 2014.

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Sector led improvement evaluation: update

Background

1. In November 2011, the LGA's Improvement Board approved the specification for an evaluation of sector-led improvement. The evaluation is running over the two year period until early 2014, with the main aim of understanding whether, in the context of reduced resources within the sector:
 - 1.1 the approach to sector-led improvement has the confidence of the sector and the government, and the trust of the public
 - 1.2 the sector has been able to strengthen local accountability
 - 1.3 the sector is adopting the sector-led improvement approach and continues to improve with a reduced burden of inspection, and in the absence of top down performance assessment
 - 1.4 the tools offered to the sector have had a positive impact on the sector's capacity to improve itself.
2. The baseline report was published in February 2013. It can be found here: <http://www.local.gov.uk/research-performance-and-improvement>. The purpose of the baseline research was to establish an initial picture of the views of sector-led improvement. This provides the basis against which the final stage of the evaluation will assess the impact of the sector-led improvement approach. Details of the baseline research and the key findings from this are outlined in **Appendix A**, attached.

The final stage of the evaluation

3. Research for the final report is being conducted over the course of autumn and winter 2013, and early 2014. Key findings will be available for the Improvement and Innovation Board in March 2014 and the full final report will be published by May 2014. Research for the final report will generally involve repeating the baseline research, to enable an assessment of the progress of sector-led improvement over the period. Content will include:
 - 3.1 a 'perceptions audit' comprising in depth interviews with key stakeholders, including civil servants and regulators
 - 3.2 results of quarterly polling of 1,000 British residents to track levels of trust in local government and measures associated with local accountability
 - 3.3 a survey of heads of policy and performance
 - 3.4 a 'perceptions survey', conducted via telephone, of chief executives, lead members and chairs of scrutiny
 - 3.5 the final rounds of the evaluation of peer challenge

Item 4

- 3.6 data analysis, which will provide a quantitative assessment of sector performance over time
 - 3.7 light touch evaluations and analysis of usage statistics for the offers of support, including Knowledge Hub, LG Inform, change of control support, leadership support and YouChoose.
4. In addition, the LGA has commissioned UK Research and Consulting Services Ltd (RCS) to carry out a study into the relative effectiveness of sector-led improvement and government-led interventions and to provide a comparative analysis. The RCS team (Prof Tim Allen, Prof Steve Martin, Dr Clive Grace and Mike Bennett) are currently gathering evidence from a number of sources including interviews with senior LGA councillors and officers, civil servants and representatives of other agencies (for example Ofsted). They will also produce a set of case studies of up to three individual councils. The project was commissioned in September of this year and a final report will be ready by early January 2014.

Service specific evaluation

5. In addition to the evaluation of the corporate sector-led improvement offer, separate evaluation activity is being undertaken to look at sector-led improvement in children's services, adult social care, health and fire. To ensure a comprehensive assessment of sector-led improvement as a whole, the corporate evaluation will draw on the findings of these where appropriate.
6. The evaluation activity underway in these service areas is summarised below.
7. Adult social care
- 7.1 A survey of lead members for adult social care and a separate survey of directors for adult social care will be conducted during autumn/winter 2013. This will look at views of and the impact of sector-led improvement in adult social care.
 - 7.2 The LGA research team will be conducting an evaluation of the national and local data reports on adult social care, which have been made available to councils.
 - 7.3 An evaluation of pilot activity to collect and share quarterly performance data will be undertaken in January 2013. This will be led by the LGA research team.
 - 7.4 A light touch evaluation of the 'Use of Resources' self-assessment pilot is being conducted by Rachel Ayling (the consultant who has been commissioned to work on these pilots).
 - 7.5 A national analysis and overview of local accounts by Caroline Marsh Management Solutions.
 - 7.6 Towards Excellence in Adult Social Care (TEASC) plans to undertake evaluation of its work on peer challenge and support, and will be developing a plan for this during the autumn, with results expected by March 2014. The LGA research team are assisting with this.

8. Children's services

8.1 A survey of lead members for children's services and a separate survey of directors for children's services is planned to be conducted late in 2013/early 2014.

8.2 Three pieces of further evaluation activity have already been published, however aside from the surveys mentioned in the bullet above no further evaluation activity is currently planned, following the withdrawal of Children's Improvement Board (CIB) funding. The published evaluations are:

8.2.1 Evaluation of the Early Adopter Sector Led Improvement Programme pilots - http://www.local.gov.uk/web/quest/research-education/-/journal_content/56/10171/3489923/ARTICLE-TEMPLATE

8.2.2 The longer-term impact of safeguarding children peer reviews - http://www.local.gov.uk/web/quest/research-education/-/journal_content/56/10171/3892624/ARTICLE-TEMPLATE

8.2.3 Evaluation of the sector-led peer challenge programme 2012/13 - http://www.local.gov.uk/web/quest/research-education/-/journal_content/56/10171/3961621/ARTICLE-TEMPLATE

9. Health

9.1 Tendering for an overall evaluation of the Health and Wellbeing System Improvement Support Programme and Partnership has recently closed, and the contract has been awarded. The deadline for delivery of the evaluation report is 31 March 2014.

9.2 Shared Intelligence have recently completed a study of four pilot health and wellbeing peer challenges to establish whether there are any emerging lessons and themes – this will help the programme in discussions on future development work and funding.

10. Fire

10.1 An evaluation of fire peer challenge is currently being undertaken by Cardiff University, and a draft report is due by the end of 2013.

Appendix A: Baseline research and key findings

The individual elements of research included in the baseline report were:

1. the first round of the 'perceptions audit', comprising ten in depth interviews with key stakeholders in sector-led improvement (including regulators and civil servants)
2. results of quarterly polling of 1,000 British residents to track levels of trust in local government and measures associated with local accountability
3. the first survey of heads of policy and performance
4. an evaluation of peer challenge
5. some small scale evaluations and analysis of usage statistics for some of the offers of support, particularly Knowledge Hub, LG Inform, Leadership Academy and YouChoose.

Some additional baseline research has also been conducted with different groups and we are in the process of publishing this. It includes:

6. the first round of a 'perceptions survey', conducted via telephone, of chief executives, lead members and chairs of scrutiny
7. the first round of an online survey of lead members for adult social care and a separate survey of directors for adult social care, looking at TEASC
8. the first round of an online survey of lead members for children's services and a separate survey of directors for children's services, looking at CIB
9. some light touch evaluation of Knowledge Hub and YouChoose.

Key messages from the baseline stage

For each of the evaluation objectives, the key findings from the baseline research are summarised below. Generally, the baseline stage was too soon to draw conclusions on progress: these findings provide an initial picture against which the final evaluation report will assess progress.

Does the approach to sector-led improvement have the confidence of the sector and the government, and the trust of the public?

Key stakeholders who were interviewed as part of the perceptions audit in July 2012 (including senior civil servants and regulators) were generally positive about sector-led improvement. The general view was that although implementation appeared to get off to a slow start, the pace of development was picking up.

In terms of awareness of the sector-led improvement approach, the surveys that have been conducted to date reveal:

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- Just over half (59 per cent) of respondents to the survey of heads of policy and performance (conducted June 2012) had heard a lot or a moderate amount about the approach.
- In the ‘perceptions survey’ conducted in November 2012, chief executives were significantly more likely than those in other roles to have heard a lot or a moderate amount about sector-led improvement (90 per cent compared with 45 per cent of leaders and 35 per cent of chairs of scrutiny).

Those who were aware of the sector-led improvement approach were supportive. Both surveys asked all those who had heard at least a little whether they agreed or disagreed that it is the right approach in the current context:

- Seventy five per cent of heads of policy and performance agreed or strongly agreed.
- Eighty six per cent of chief executives agreed or strongly agreed, and the majority of leaders and chairs of scrutiny also agreed with the approach – in both cases just under two thirds said this (63 per cent of leaders and 65 per cent of chairs of scrutiny).

Public polling has also been undertaken to monitor the impact of sector-led improvement on public views of councils. This has found that levels of public trust in councils have been maintained since the first round of polling in September 2012, when 61 per cent said that they trust their council a great deal or a fair amount – the most recent figure (July 2013) is also 61 per cent.

Whilst many factors will impact on levels of trust in councils, this shows that, to date, the removal of much of the top down performance management and assessments has not had a negative impact in this regard.

Has the sector been able to strengthen local accountability?

The baseline stages were too early to make a judgement on this, however respondents to the perceptions survey were positive about accountability in their authority, with 96 per cent of both chief executives and leaders either agreeing or strongly agreeing with the statement “local accountability is strong in my authority”. Chairs of scrutiny were still positive, but slightly less so, with 80 per cent agreeing or strongly agreeing.

Further, the earlier survey of heads of policy and performance showed high levels of engagement and accountability activities such as consulting on proposals to get feedback and ideas (91 per cent were doing this) and using social media to communicate with residents (84 per cent). The survey also identified aspiration for improvement; 70 per cent of respondents said that their authority aspired to a higher level of local accountability and engagement with residents than they are currently achieving.

The public polling shows that over the last few months, councils have maintained performance on three indicators which, taken together, give an insight in to levels of local accountability across the sector:

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- In the July 2013 poll, two thirds of respondents (66 per cent) said that their council keeps residents very or fairly well informed about the services and benefits it provides. This is broadly consistent with the levels seen in previous rounds of polling.
- There has also been very little change in the extent to which respondents are satisfied with the way their local council runs things. In July, 72 per cent were very or fairly satisfied – the same level as observed in September 2012.
- In July 2013, 63 per cent said that their council acts on the concerns of local residents a fair amount or a great deal – similar to the 62 per cent who said this in September 2012.

Is the sector adopting the sector-led improvement approach and continuing to improve?¹

Respondents to the ‘perceptions survey’ were positive about improvement work in their own authorities. Ninety eight per cent of both chief executives and leaders either agreed or strongly agreed with the statement “my authority is making advances in driving improvement”. Chairs of scrutiny were slightly less positive, but levels of agreement were still high, with 78 per cent agreeing or strongly agreeing.

A high level of confidence was also seen in the survey of heads of policy and performance, when 95 per cent of respondents were confident either to a great or a moderate extent that their own authority has the necessary skills and capacity to monitor its own performance and continually improve. Eighty three per cent thought this for the sector.

The baseline stage was too early to judge whether this is happening in practice; the final stage of the evaluation will draw on updated surveys and an analysis of performance data to judge progress.

Have the tools offered to the sector had a positive impact on the sector’s capacity to improve itself?

Looking at awareness of the different offers, in the perceptions survey:

- The highest level of awareness amongst chief executives was of the provision of a corporate peer challenge at no cost (98 per cent had heard at least a little about this), followed by the Knowledge Hub (90 per cent).
- Leaders were most commonly aware of the provision of one subsidised place on the LGA's Leadership Academy (74 per cent), followed by corporate peer challenge (70 per cent).

¹ Please note that this evaluation defines improvement as including maintenance of service levels or service user outcomes in the face of a reduction in resources, as this requires an increase in productivity.

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- The two offers which chairs of scrutiny were most aware of were the commitment to work with local authorities to develop local accountability tools (51 per cent) and supporting member and officer networks (51 per cent).
- The earlier survey of heads of policy and performance revealed high levels of awareness of the offers amongst this group – for example 84 per cent were aware of peer challenge and 82 per cent were aware of the Knowledge Hub.

Those respondents who had some awareness of the LGA's approach to sector-led improvement were fairly positive about the likely impact of the support and resources on offer on both their own authority's capacity and the sector's capacity to monitor its own performance and continuously improve.

- Seventy six per cent of chief executives, 60 per cent of leaders and 58 per cent of chairs of scrutiny thought that the support and resources offered will have a great or moderate positive impact on their authority.
- Eighty two per cent of chief executives, 80 per cent of leaders and 66 per cent of chairs of scrutiny thought that the support and resources offered will have a great or moderate positive impact on the sector more generally.
- In the survey of heads of policy and performance, around two thirds of respondents thought that there will be a great or moderate positive impact both on their authority (66 per cent) and the sector (67 per cent).

Audit and Accountability Bill

Purpose of report

To note.

Summary

This report updates the Board on the progress of the Audit and Accountability Bill and the proposal for a sector led body to procure audit in the future.

Recommendation

The Board is asked to note the report.

Action

Officers to progress in the light of members' views.

Contact officer: Dennis Skinner
Position: Head of Leadership and Productivity
Phone no: 020 7664 3017
Email: Dennis.skinner@local.gov.uk

Audit and Accountability Bill

Background

1. The Local Audit and Accountability Bill was published on 10 May 2013. The Bill will introduce a new regime for the auditing of local public bodies, extend the council tax referendum provisions introduced in the Localism Act and enshrine the legal status of the local authority publicity code.

Audit procurement

2. With regard to the new Audit Regime, the Bill will abolish the Audit Commission and create a framework where councils will have to establish an independent auditor appointment panel in order to be able to appoint their own auditors. Since publication of the Bill there has been increasing concern within the sector about the potential for audit fees to rise when councils appoint their own auditors and the impracticability of the proposed requirement that councils should only be able to appoint auditors following a recommendation from an independent 'auditor panel' with a majority of independent members and an independent chair.
3. At its meeting on 12 December 2012, therefore, the LGA Executive agreed that the LGA should explore the option of a sector owned approach to procure external audit on behalf of the sector when the current external audit contracts end. Further work and lobbying has been undertaken on this option and during the Lord's stages the Government undertook to bring forward an amendment along these lines.
4. In terms of the practicalities one option would be for the LGA to lead a sector-led approach to procurement, but there would be a number of key issues to be considered and addressed. These were set out in a paper to the LGA Leadership Board on 23 October 2013. A copy of the paper is attached and **Appendix A**. The Leadership Board agreed to pursue the sector led body for the procurement of external audit.
5. The Audit and Accountability Bill has just begun its Commons' stages and officials are in discussion about the wording of a suitable amendment to facilitate a sector led approach to procurement. Royal Assent is expected in the New Year.

Audit Commission legacy issues

6. Following the Government's decision to close the Audit Commission (w.e.f. March 2015) consideration is also being given to whether, and if so how, some of its current activities might be best taken forward in the future – with a particular focus on the Commission's Value for Money profiles.
7. The VFM profiles for local authorities and fire authorities show how a local public body's costs and performance compare with other similar bodies, providing an overview of spending and demonstrating how unit costs and service productivity at one authority

compare with others. Users can also tailor the comparisons and track costs and performance over time to assess the impact of any improvements and efficiencies.

8. In view of the nature of the tools and the use of them made by the sector we are currently exploring with Audit Commission and DCLG officials the synergies with LG Inform.

Audit Commission proposed work programme and scale of fees for 2014/15

9. The Audit Commission has launched a consultation on its work programme and scale of fees for 2014/15. It is under a statutory requirement to consult stakeholders before prescribing the scale of fees.
<http://www.audit-commission.gov.uk/wp-content/uploads/2013/10/Proposed-work-programme-and-scales-of-fees-2014-5-Local-Government.pdf>
10. The Commission does not plan to make any changes to the work programme for 2014/15 and is therefore proposing that scale audit fees are set at the same level as the fees applicable for 2013/14, thus locking in the 40 per cent reduction made to fees from 2012. The final work programme and scales of fees for 2014/15 will be published in March 2014. Responses to the consultation have been invited by Friday 10 January 2014.
11. As part of its current work programme it is expected that the Commission will shortly publish its annual *Auditing the Accounts* and *Protecting the Public Purse* reports. These reports summarise, respectively, the results of auditors' work on audited bodies' financial statements and arrangements to secure value for money, and the results of the Commission's annual survey of fraud in local government.

Next steps

12. These issues (national procurement and the future of the Commission's tools) will be clarified as the Parliamentary process and implementation discussions proceed and the Board will be kept updated in order to enable members to offer guidance and direction.

APPENDIX A

External Audit Contracts

Purpose of report

For decision

Summary

This report sets out the key issues that need to be considered in relation to the creation of a sector led body to manage external audit contracts for local government.

Recommendation

1. Note that the LGA have been successful in lobbying government to bring forward amendments to the Bill to allow for a form of national procurement.
2. To decide whether the LGA should pursue the option of a sector led body led by the LGA to procure external audit on behalf of councils that opt-in.
3. To decide whether, in light of 1, that the LGA should pursue with government the option of a sector led body being the interim body following the closure of the Audit Commission.

Contact officer: Dennis Skinner
Position: Head of Leadership & Productivity
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E-mail: dennis.skinner@local.gov.uk

BACKGROUND

1. The Local Audit and Accountability Bill was introduced in the House of Lords in July 2013. Amongst other things, it will enable Councils to appoint their own auditor. However, this comes at a potential additional cost to councils. Councils will also need to establish an Independent Audit Appointments Panel which must be chaired by an independent person and have a majority of independent people sitting on it. At the moment the Audit Commission appoint auditors to councils and set the fees for those appointments. The earliest date that Councils would be able to make their own appointments is for contracts starting in 2017.
2. The LGA in its evidence to the CLG pre-legislative scrutiny committee argued that the Bill should also allow the option for Councils to secure their external auditors through some form of national procurement process. This was on the basis that there was a strong body of evidence to indicate that for most councils and for the sector overall this would be the most effective way of achieving the best price. Individual appointments will also involve additional procurement costs and this will also increase audit firms' tendering costs which in turn is likely to be passed on to local public bodies.
3. Councils have also been clear in their responses to the draft Bill and the call for evidence from the scrutiny committee that the requirement that councils should only be able to appoint auditors following a recommendation from an independent 'auditor panel' with a majority of independent members and an independent chair is unnecessary and impractical.
4. The LGA have lobbied Ministers, initially with a view to seeking an amendment to the Bill which would create the flexibility of national procurement to continue to be an option on a mandatory basis.
5. Ministers have indicated that they are not willing to entertain a mandatory option but would be willing to consider an "opt-in" option around national procurement being delivered through a sector led body. Following further lobbying by the LGA, Ministers have indicated that they will bring forward amendments when the Bill reaches the Committee stage of the House of Commons (autumn 2013) to allow the option for councils to opt-in to a national procurement option.
6. The Local Audit and Accountability Bill when passed will also formally abolish the Audit Commission. The current timescales suggest that the Audit Commission would close on 31 March 2015. This means that there will need to be an interim body that will be required to undertake certain functions between the anticipated closure of the Commission and the introduction of new audit arrangements in 2017 or indeed 2020 if the external audit contracts were extended to 2020. The LGA support the extension of the external audit contracts to 2020 given this would lock in for a further 3 years the current prices.

SECTOR LED BODY

7. There are a number of key issues that need to be considered and addressed for any sector led body created to procure and manage external audit including:

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- a) the duties, powers and responsibilities of the body including which public bodies should be covered
 - b) legal form and governance issues
 - c) resourcing and financial risk
8. The issues are then compounded by the relationship with the interim body that is referred to in para 6 above.

Duties, Powers

9. The legal and practical functions of a sector-led body must include a mixture of powers, duties and practical functions. This will need to include the ability to appoint auditors and to set the fee levels. There is likely to be an expectation that the body would need to have specific measures in place to safeguard the interests of audited bodies and to provide assurances to government.

Legal form and Governance

10. Consideration will need to be given to the legal status of any sector-led body and its relationship with the LGA. The formal status will need to enable it to have the duties and powers referred to above.
11. The sector led body could be led by the LGA. Other options could include one of the existing procurement organisations known collectively as the PRO 5 group; or a lead council. There are potential advantages to the body being led by the LGA. It would be a service that would be made available to all councils and add to our suite of offers. It would bring in an additional form of income to the LGA. There are some potential links between some aspects of the new body and the LGA's work on sector led improvement.
12. If a formal company is required then use could be made of an existing company from the LG group including Local Government Information House or the IDeA Board or a new company may need to be established.
13. The body is likely to need to provide a level of assurance of its governance and operating arrangements, particularly mechanisms for ensuring independence and managing conflicts of interest. Given it will be exercising statutory functions it will have to be publicly accountable for these activities. The body will also require information from other bodies such as the Financial Reporting Council and Recognised Supervisory Bodies.

Resourcing and Financial Risk

14. In line with current practice and proposals for the smaller bodies sector, it is expected that the running costs for the sector-led body would be met via a retained portion of the audit fees. During the transitional period (2015-2017), the financial risk is very low as the contracts have been awarded and a fee arrangement is in place. Although, if there was an issue with one or more of the contracts with any of the firms who currently carry out the work, the body would need to deal with this which could involve additional costs over and above those currently planned for. We are aware from informal discussions with the Audit Commission that they have set aside some reserves which would potentially be available for the sector led body and therefore could be used to offset any financial risk.
15. The financial risk changes once the provisions of the Local Audit and Accountability Bill around local appointment come into effect. At this point Councils would be able to choose to appoint locally. Whilst there are considered to be strong financial benefits (central procurement is estimated to save councils overall in the region of £250m over a five year period compared to every council appointing individually) to councils choosing to opt into a central procurement process, this is clearly untested. In addition, Councils would not be required to establish an independent audit panel if they opted into the national arrangement.
16. For such an approach to be viable, the sector-led/LGA body would need to know who would be likely to participate. Given the size of the local government audit market it is estimated that even a minimum 70 per cent take-up would be sufficient to secure very competitive prices.
17. Soundings are being taken currently with councils through the Principal Advisors and a formal exercise will be carried out over the next few months to gauge interest if it is decided to pursue the sector led body option.
18. **It is recommended that the LGA agree to pursue the option of a sector led body led by the LGA to procure external audit on behalf of councils that opt-in.**

INTERIM BODY

19. As referred to in paragraph 6, an interim body will be required from the closure of the Commission to the introduction of the new audit arrangements from 2017. The primary function of the body will be to manage the various contracts with audit firms for the provision of audit and related services for principal and smaller bodies. Provision will need to be made to novate the contracts, and the rights and obligations that flow from them, to a successor body, which will then manage them over the period until they expire two and a half years later, or to 2020 if they are extended.

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20. In order to successfully manage these contracts, the interim body will need to undertake a range of functions and retain statutory powers under the Audit Commission Act 1998.
21. There are some other audit-related activities currently undertaken by the Commission which may also be transferred to another body in the interim period. These include:
 - a) value for money profiles
 - b) financial ration tools
 - c) fraud surveys and tools
 - d) activities to support the smaller bodies regime

Options

22. Discussions with civil servants to date suggest there are three options for managing the Commission's audit contracts after 2015:
 - a) a specialist unit or agency within DCLG or another government department
 - b) a stand-alone agency or public body
 - c) a hybrid solution, where the statutory powers would be transferred to DCLG, another government department or a stand-alone government agency, but their operation in practice would be delegated to a sector led body.
23. CLG have indicated to date that they can see a number of advantages in the interim body being the sector led body that is being considered as part of the longer term option.
24. If the LGA wish to establish a sector led body to procure external audit post 2017 for councils who wish to go down this route, it would be beneficial if the sector led body could also be the interim body. This would mean that there would only be one transfer of the skills and expertise from the Audit Commission to another body and for the interim period between 2015 and 2017 it would provide the sector led body with 2 years' experience of managing the contracts and building up the interest in councils opting into future national procurement.
25. **Therefore it is recommended that the LGA pursue with government the option of a sector led body being the interim body following the closure of the Audit Commission. The body would manage the current external audit contracts and taken on responsibility for the value for money tools.**

SCOPE OF INTERIM BODY AND SECTOR LED BODY

26. The Audit Commission contracts cover a wide range of bodies outside local government including Police, Fire, and NHS bodies and a large number of smaller bodies.

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27. Smaller bodies are those with annual income, or expenditure, of not more than £6.5 million. There are currently some 10,000 'small' bodies (such as parish and town councils, parish meetings and internal drainage boards and they are subject to a different contract from the external audit contracts in place for principal authorities and the NHS bodies etc.
28. The current contracts which cover local authorities, police, fire and the NHS bodies cannot be separated by sector. Therefore, the interim body would need to take on responsibility for all the current areas and not just local government. For these reasons, any sector led body during the interim period would need to involve interested parties from the other sectors and potentially for them to be part of any governance model. Initial indications from other interested government departments is that their preference is likely to be for the interim body to be hosted by another government department but they do not rule out the option of the sector led body acting as the interim body.
29. In the longer term (post 2017) there would need to be a decision taken as to whether the sector led body should act on behalf of police and NHS bodies as well as local government, if there was a view from these sectors that it would be helpful to have such an option.

CONCLUSION AND NEXT STEPS

30. The LGA have been successful in making the case for changes to be made to the Local Audit and Accountability Bill. These changes will provide the option for councils to opt-in to a sector led body which could procure external audit for them in the future.
31. There are significant benefits to Councils if the LGA pursue the option of a sector-led body including:
 - a) Savings estimated at £250m over a five year period in audit fees
 - b) The requirement for each council to establish an independent Audit Appointment Panel would not be needed
 - c) Councils would not need to carry out separate procurement exercises
32. If it's agreed that a sector led body should be established then it makes sense that such a body should also be the interim body.

LEGAL IMPLICATIONS

33. The key legal and governance implications arising from a sector led body is identified in the report. If the decision is to proceed with this approach it will be important that these are fully addressed in the setting up including in discussions with CLG on the appropriate statutory powers that will be required.

Leadership: Update on the review of the leadership programmes

Purpose of report

To Note.

Summary

This report updates the Board on the progress of the current review of the Leadership programmes.

Recommendation

The Board is asked to note the report.

Action

Officers to progress the review in the light of members' views.

Contact officer: Michael Coughlin and Pascoe Sawyers

Position: Executive Director/ Principal Adviser

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Pascoe.sawyers@local.gov.uk

Leadership: Update on the review of the leadership programmes

Background

1. At its last meeting the Improvement and Innovation Board considered and agreed a report reviewing the LGA's leadership programmes and proposed a new offer.

Update

2. A slightly revised version of the report, taking into account the views of the Improvement and Innovation Board, was recommended to the Leadership Board and considered at its meeting on 23 October 2013.
3. The Leadership Board was in broad agreement with the principles and aims of the report. There was, however, a debate around branding and, to a lesser extent, the content and focus of the some aspects of the proposed new offer.
4. It was decided that the Improvement and Innovation Board Chairman should attend a meeting of the Group Leaders to discuss the proposals further and to come to a consensus on the best way forward.

Next steps

5. Members are asked to note the progress made and the current position.

Note of decisions taken and actions required

Title: Improvement and Innovation
Date: Thursday 19 September 2013
Venue: Westminster Suite, Local Government House

Attendance

| Position | Councillor | Council / Representing |
|---------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------|
| Chairman | Peter Fleming | Sevenoaks DC |
| Deputy-Chair | Claire Kober | Haringey LB |
| Deputy-Chair | Jill Shortland OBE | Somerset CC |
| Members | Nicholas Rushton | Leicestershire CC |
| | Richard Stay | Central Bedfordshire Council |
| | Tony Jackson | Bexley LB |
| | Glen Miller | Bradford City |
| | David Mackintosh | Northumberland Council |
| | Paul Middlebrough | Wychavon DC |
| | Tony McDermott MBE | Fenland District Council |
| | Tim Cheetham | Halton BC |
| | Imran Hussain | Bradford City |
| | Kate Hollern | Barnsley MBC |
| | Sue Woodward | Staffordshire CC |
| | Sir David Williams CBE | Richmond upon Thames |
| | John Blackie | Richmondshire DC and North Yorkshire CC |
| | Apu Bagchi | Bedford BC |
| Apologies | Helen Holland | Bristol City |
| | Teresa O'Neill | Bexley LB |
| | Shirley Flint | North Kesteven DC |
| Observers/Other attendees | Cllr Howard Sykes | LGA Liberal Democrat National Lead Peer |
| | Cllr Paul Bettison | LGA Conservative National Lead Peer |
| | Cllr Michael White | LGA Conservative Regional Lead Peer |
| | Philip Sellwood | Energy Savings Trust |
| | Richard Priestman | Lombard |
| LGA Officers | Michael Coughlin, Dennis Skinner, Verity Sinclair, Juliet Whitworth, Pascoe Sawyers, Stephen Jacob | |

| Item | Decisions and actions | Action by |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1 | <p>Welcome and Introductions</p> <p>The Chairman welcomed everybody to the first Improvement and Innovation Board meeting of the new cycle and asked for thanks to be recorded to all retiring members and substitutes.</p> <p>Cllr Richard Stay declared an interest in Item 6 as a trustee of the Leadership Centre.</p> | |
| 2 | <p>Membership, Terms of Reference and Outside Bodies</p> <p>The board noted the membership and the terms of reference. They then discussed the outside bodies' vacancies.</p> <p><u>Decisions</u></p> <p>That the Board:</p> <ul style="list-style-type: none"> i. Noted the membership and agreed the revised terms of reference. ii. Agreed that Cllr Tony McDermott would be the representative on the Urban Commission Steering Committee, Cllr Paul Middlebrough would be the representative on the Rural Commission and Cllr Tim Cheetham would be the representative on the Knowledge Navigator steering group <p><u>Action</u></p> | <p>Verity Sinclair</p> |
| 3 | <p>Priorities and Work Programme for 2013/14</p> <p>Michael Coughlin gave a presentation on the LGA's Rewiring Public Services campaign, outlining the key priorities and how these would be achieved.</p> <p>Cllr Peter Fleming then gave a presentation setting out his personal perspective on Improvement and Innovation. The presentation touched on a number of issues including the financial landscape, the focus on innovation and prevention, the support the LGA currently provides, and the importance of working with outside partners, working with other councils and making sure all LGA boards had improvement at their heart.</p> | |

The discussion was then opened up to the rest of the board.

Members queried how the IIB's joint working with other boards operated in practice. Cllr Fleming explained the board's relationship with other areas, using CYP as a key example of good links. He felt that these relationships would grow stronger in future.

Some members raised the importance of IT provision in facilitating improvement and were assured that this was addressed within the work on procurement and productivity. The importance of transparency and good communication was also highlighted along with the potential need of some councils for specific support to deal with their current financial challenges.

The importance of encouraging councils to make the most of government initiatives was mentioned as well as being ambitious in their plans, not purely managing decline. The importance of joint working with other bodies such as Health and the Police and Crime Commissioners' was raised as a necessity with the limited funds currently available in local government.

Members noted that the end of year report had included references to future priorities and felt that it would be helpful to see a forward timetable of activity in each of the Board's five strategic themes.

After the discussion Cllr Fleming invited members to think about their preferences for the year, and explained a list would be put together and brought to the next board meeting.

There was a brief discussion on sector led improvement and the importance of continuing to engage the sector in this work. The possibility of a board away day at another council to discuss this was mentioned.

Decisions

That the Board:

- i. Agreed the priorities for the year.
- ii. **Agreed** members to be invited to put forward their preferences for the coming year.

Actions

Officers to take forward in line with members' recommendations, including developing a forward looking plan of key activities over the coming year, to be submitted to the board.

Michael Coughlin /
Dennis Skinner

Officers to invite member preferences and bring this to the next board.

Verity Sinclair

Innovation Programme Update

4. The Board received a report on the Innovation programme noting in particular the progress on Creative Councils (which would come to an end in November), the success of the Innovation Zone at conference and the development of a Local Councils Innovation Framework, including the launch of “Council Leaders’: key actions for Innovation”.

Cllr Peter Fleming thanked Joan Munro for her work on the Innovation Framework.

There was a brief discussion on the Innovation opportunities for the year ahead, with Cllr Fleming saying he had met with the Design Council, the Young Foundation and the NSPCC to discuss ideas. Other members mentioned the importance of engaging national government through working with peers, the treasury, BIS and CLG.

Decision

That the Board:

Noted the progress made and on-going work of the Innovation programme;

Action

Bring forward a refreshed work programme for consideration at a future meeting.

Dennis Skinner

5. Update on LG Inform

Juliet Whitworth (Research and Information Manager) presented the report to the board. She explained that the soft launch to registered users had been a success with 3443 visits with an average duration of 15 minutes 13 seconds. As of 18 September the system had been launched to all leaders and chief executives and would be launched to the public at the end of November. Over the coming months the team would be working on communication with a double page spread in first magazine and speaking to councils directly.

A discussion with members followed with many welcoming the new system and agreeing that it would help with comparability and transparency.

Concerns were raised about how up to date the information was and

whether the public would be willing to use the system.

Juliet explained that the data contained within LG Inform was the most up-to-date public validated data. This could only be improved if Government validated the data more quickly. LG Inform enabled councils to upload unvalidated data to get earlier comparisons and to create metrics which were more useful at local level. Regarding public usage, Juliet explained the hope was that councils would embed pages from the system into their own websites, meaning the public would be able to see the data without having to access the LG Inform site. This would also be very helpful to councils as they could write explanations of the data on the page.

Decisions

That the Board:

- i. **Noted** the launch of the new version of LG Inform and associated communications work.
- ii. **Noted** the timing of the launch to the public.

Action

Officers to take forward in line with members' recommendations.

Juliet Whitworth

6. Revising the Leadership Offer

Cllr Richard Stay introduced the report and thanked the Member Panel and officers for all of the work that had gone into pulling it together.

Cllr Stay went through the details of the new offer explaining that there would be a greater focus on outcomes and future proofing. There had been a number of views and objectives put forward but the work had been guided by the following principles: a focus on political leadership, better targeting, increased cohesion, flexibility, better evaluation, updated content and cost recovery. Cllr Stay outlined the proposed new programmes and stressed the importance of getting people from a broader range of backgrounds and occupations into leadership roles and having a well-rounded package of support.

There was a wide discussion with members on the new programme, with the majority being broadly supportive. The increased influence of political groups in choosing participants was praised and a stronger focus on sustaining/embedding learning through appropriate "follow up" activity along with a greater emphasis on evaluation, showing where councillors ended up after the training, were encouraged.

There was also mention of professional development being a necessity to encourage younger councillors.

Members did raise concerns about some of the detailed wording, asking for the reference to “senior” councillors to be removed to make sure new councillors were not being prejudiced against. It was also noted that, shadow leaders and opposition portfolio holders were also engaged in “leadership” and should not be excluded from future programmes. Other concerns including the need for training in working with outside partners were mentioned.

It was confirmed that the proposals included rebranding the current leadership offer.

Decisions

That the Board:

- i. Agreed the draft Leadership offer proposals including the stronger role for political groups be agreed and recommended to the Leadership Board
- ii. Agreed the leadership working group would be reformed to give further consideration to programme follow-up and evaluation.

Action

Officers to take forward in line with members recommendations.

Michael Coughlin

7. Productivity Programme Update

Dennis Skinner updated the board on the Productivity programme, including the economic growth advisors and explained they were currently assessing the bids. He also discussed the potential work programme around monetising waste which could see the productivity team looking to fund a contract renegotiation expert with a few councils and sharing the savings achieved.

Decision

That the board:

Noted the progress made and the on-going work of the Productivity programme;

Agreed: the proposal to “soft market test” the proposal for a contract renegotiation expert on waste recyclates with the results being reported to the board.

Action

Officers to take forward in line with members recommendations.

Note of the last meeting

The notes of the last meeting were accepted as a true record.

Craig Egglestone /
Dennis Skinner

Date of next meeting

Thursday 7 November 2013

LGA location map

Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Tel: 020 7664 3131

Fax: 020 7664 3030

Email: info@local.gov.uk

Website: www.local.gov.uk

Bus routes – Millbank

- 87** Wandsworth - Aldwych
- 3** Crystal Palace - Brixton - Oxford Circus

For further information, visit the Transport for London website at www.tfl.gov.uk

Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

Public transport

Local Government House is well served by public transport. The nearest mainline stations are: Victoria and Waterloo: the local underground stations are

St James's Park (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

Bus routes – Horseferry Road

- 507** Waterloo - Victoria
- C10** Canada Water - Pimlico - Victoria
- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

Car parks

Abingdon Street Car Park (off Great College Street)
Horseferry Road Car Park
Horseferry Road/Arneway Street. Visit the website at www.westminster.gov.uk/parking

