

MEMORANDUM OF UNDERSTANDING
Between the Department for Communities and Local
Government and the Improvement and Development
Agency
regarding the provision of support and assistance to the
local government sector

Grant Funding 2017-18

Introduction

1. This Memorandum of Understanding sets out the agreement between the Department for Communities and Local Government and the Improvement and Development Agency. Whilst the agreement is with the IDeA, the LGA is the parent body and will lead on some issues. The MoU provides for a strong, comprehensive and effective package of support for the local government sector. Elements of the package should deliver measurable improvements (e.g. financial savings arising from the Productivity Adviser offer) and the package as a whole high levels of confirmation from council Leaders and Chief Executives that the package provides the sector the support it needs. The outcomes of this programme of work alongside assessments of senior leadership satisfaction will be assessed through a rigorous and objective programme evaluation.
2. It is important to have in place the most effective arrangements to help local authorities across the country to continue to improve and reform – essential if they are to deliver sensible efficiencies. Local authorities have a right to expect that the services designed to support them are the best they can be, provide the support they need and provide best value for money.

Developed collaboratively with the Sector

3. The programme of support will be developed in consultation with local authorities and will be agreed by the IDeA's Board and the Secretary of State for DCLG. DCLG and LGA/IDeA agree about the effectiveness and desirability of an approach to local government improvement that is led by the sector - which this MoU supports. Integral to the specific strands outlined here (such as political leadership, peer challenge, efficiency and productivity, etc.) is the commitment to draw out, share and promote good and innovative practice.

Working with other organisations

4. Both DCLG and the IDeA agree that they do not possess a monopoly on expertise regarding local government improvement. In order to make the best use of the widest range of expertise, and to help foster other organisations with specialist knowledge to contribute to our shared improvement agenda, the IDeA will outsource some of the work it carries out in connection with this MoU to external organisations, and report on how it is working to encourage and develop other independent sources of expertise and best practice. We will also continue to contribute to and draw on the results and recommendations of the national studies undertaken by the National Audit Office.

Transforming Together

5. Local government has a track record of working with other bodies: public sector (including central government), voluntary sector and the business community to help to transform the lives of their residents and communities for the better. It is by working together collaboratively in a place that added value can be achieved and councils are at the forefront of this way of working.
6. The LGA welcomes the government's recognition of local government's partnership role as set out in the common strategic agenda outlined in the UK Digital Strategy, the Government Transformation Strategy and the National Cyber Security Strategy. These set out an ambitious agenda which impacts directly on local communities, business and public services and emphasise the importance of collaborative work, as highlighted in the recent local government family's joint local digital leadership statement.
7. In the digital age it is more important than ever that councils are at the heart of developing a cross cutting culture of collaborative local digital leadership. It is vital that local leaders are on board with this agenda if it is to succeed. The LGA together with other key local government membership bodies will promote and build the local digital leadership required to maximise the benefits of digital transformation for local citizens, communities and businesses.

Benefiting a full spread and diversity of Local Authorities

8. Improvement support delivered in accordance with the programme of sector improvement support set out in **Annex A** will be available to all local authorities, whether or not they are members of the LGA. The IDeA will track and monitor to ensure that support is being taken up by members and non-members alike and to demonstrate take up by local authorities from different UK regions, authorities of various political control, and those of varying authority type.
9. This document sets out the terms overseeing the provision and accounting of grant funding in 2017/18 in order to enable the delivery of this support package. This will be accompanied by robust scrutiny to ensure that the grant spent by the

Improvement and Development Agency is spent appropriately and on providing direct support to local authorities.

10. The Improvement and Development Agency seeks to be an exemplar and leader for the sector and holds itself accountable to the same standards and requirements for value for money as is expected of local authorities who deliver frontline services. The Department will provide regular, high quality monitoring and scrutiny to enable the Improvement and Development agency to achieve this ambition. Both the IDeA and the bodies it passes grant to, to help deliver the improvement programme, are expected to be transparent about how they have spent the grant and the services they deliver to support local authorities.

Application

11. In order to deliver the agreed programme a Grant of £ 21 million will be paid in 2017-18 to the Improvement and Development Agency. Details of the high-level budget are given in **Annex B**.

Outcomes and outputs

12. The programme of sector improvement support set out in **Annex A** and funded through grant in 2017-18 will help:
 - increase confidence amongst leading members (as a result of their participation in our leadership programmes) in their ability to lead organisations, across partnerships and for communities. Our aim is that over 90% of participants in our Leadership programmes agree they feel more confident in their role as a result of their participation
 - enable 50% of participants in our Next Generation programme to go on to be cabinet members, committee chairs or leaders within the next 5 years.
 - evidence continued sector improvement, as measured by a basket of performance indicators used by councils (as a proxy to measuring how our support has had an impact);
 - support the sector as it continues to become more efficient and effective in its use of resources - continuing our overall objective that for every £1 of DCLG grant invested in this programme of sector led improvement we will help councils save £10, thereby delivering at least £210 million of savings in local authorities;
 - councils be transparent and accountable to the public they serve;
 - councils maintain high levels of public trust and satisfaction in local government;
 - mitigate the need for DCLG to use their formal intervention powers and ensure effective arrangements exist to support recovery and improvement where necessary.

13. Significant changes to the programme need to be agreed with the Secretary of State.

Definitions

14. For the purpose of this memorandum:

- a. "the Secretary of State" means the Secretary of State for Communities and Local Government, or his Ministers and officials acting on his behalf.
- b. "the LGA" means the Local Government Association as the parent body of the Improvement and Development Agency for Local Government.
- c. "the IDeA" means the Improvement and Development Agency for Local Government.
- d. "Local authorities" means all principal authorities and Fire and Rescue Authorities. Parish councils and other types of public authority may also be included at the discretion of the IDeA or the request of the Secretary of State.

Data protection

15. The Government believes that local transparency can be implemented in a way that complies with the Data Protection Act 1998 (the Act). Where the IDeA, or bodies it passes grant to, to help deliver the improvement programme, are disclosing information, they must ensure that the publication of that information is both in the spirit of and compliant with the provisions of the Act. The Act does not restrict or inhibit information being published about councillors or senior officers because of the legitimate public interest in the scrutiny of such senior individuals and decision makers. The Act also does not automatically prohibit information being published naming the suppliers with whom the bodies have contracts, including sole traders, because of the public interest in accountability and transparency in the spending of public money.
16. For other situations where information held by IDeA, or bodies it passes grant to to help deliver the improvement programme, contains public data which cannot be disclosed in a Data Protection Act compliant manner, the Information Commissioner's Office has published guidance on anonymisation of datasets, enabling publication of data which can yield insights to support public service improvement, whilst safeguarding individuals' privacy¹.

¹<http://ico.org.uk/for-organisations/data-protection/topic-guides/anonymisation>

Commercial confidentiality

17. The Government has not seen any evidence that publishing details about contracts entered into by local government would prejudice procurement exercises or the interests of commercial organisations, or breach commercial confidentiality unless specific confidentiality clauses are included in contracts. The IDeA and bodies it passes grant to for the delivery of the improvement programme will be expected to publish details of contracts they have entered into, to deliver the programme of sector improvement support set out below. Commercial confidentiality should not, in itself, be a reason to not be transparent about the delivery of sector support funded by public monies.

Freedom of Information Act 2000

18. The IDeA, and bodies it funds using the grant to deliver the improvement programme will voluntarily respond to requests for information about the programme of sector improvement support set out below, in line with the general principles of openness given legislative effect by the Freedom of Information Act 2000.

19. Where information would otherwise fall within one of the exemptions from disclosure under the Freedom of Information Act 2000, then it is at the discretion of the IDeA and/or the bodies through which it delivers the improvement programme, whether or not to publish the data. The IDeA will start from the presumption of openness and disclosure of information, and not rely on what could have been exempted to withhold information unless absolutely necessary.

Financial Management and the effective and appropriate use of Public Money

20. The IDeA recognises that to maintain credibility and the trust of both the sector and taxpayers it must handle public funds with probity and in a manner that is demonstrably in the public interest. To this end IDeA commits to using this grant in a manner which is consistent with the principles (at para 1.1.1) within the Treasury guidance *Managing Public Money*.²

21. The IDeA will undertake effective financial tracking, monitoring and reporting of the grant funding and will share the appropriate documentation at the level of clarity and detail required by the Department. This will include the sharing of:

²

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454191/Managing_Public_Money_AA_v2_-jan15.pdf

- Management Accounts and;
- the Business Plan.

22. This means that IDeA will use the grant efficiently, economically and effectively, avoiding waste and extravagance. As such the IDeA will not use grant to:

- pay for staff at the IDeA, or the contracting of consultants or other companies, to lobby Parliament, Government or political parties. This also applies to bodies IDeA passes grant to to help deliver the improvement programme. To be clear, this includes payments that support activity intended to influence or attempt to influence Parliament, Government or Political parties, or attempting to influence the awarding or renewal of contracts and grants or attempting to influence legislative or regulatory action
- subsidise other programmes and projects delivered by the IDeA, or the bodies with whom it delivers this improvement programme not specified in annex A
- undertake property development or improvement
- support commercial services, where a market exists, at uncompetitive costs and standards compared to what could be procured directly by local authorities
- support any negotiating (except in respect of national pay negotiations), lobbying and sector representation functions which should be funded through membership subscriptions
- unconnected and excessive management overheads e.g. councillor and officer costs.

Performance reporting and Monitoring

23. The performance of the IDeA, or bodies it passes grant to to help deliver the improvement programme, against the outcomes and outputs set out below and budget management, will be monitored by the IDeA Board and shared with the Department. Where relevant, papers will be published (see the section on transparency).

24. The IDeA shall use appropriate programme and project management approaches to track and communicate to DCLG the manner in which the grant is being used to deliver the programme's objectives. This includes the creation and regular updating of a Milestone chart/Forward look that sets out the dates of planned events, activity and programmes for the core work-streams.

Quarterly reports

25. The IDeA will submit to the Secretary of State, and publish, quarterly performance reports no later than one month after the end of the quarter. The report will set out:

- the support delivered to local authorities in the previous three months, and the year to date
- the outcomes and outputs delivered in the previous three months, and progress against the targets set out below, supported by evidence and the results of any satisfaction surveys to demonstrate delivery achievements
- appropriate briefing and commentary arising from the activity
- From Q2 the report will show actual spend against each individual work-stream of activity for the three month period
- The final quarterly report of the year will include a summative section which will provide analysis and evaluation of the full year's activity and achievements and unaudited spend for the financial year.

Meetings

26. Officials from IDeA, LGA and the Department for Communities and Local Government will meet regularly to discuss progress in delivering the programme of sector improvement support and in particular local authorities facing particular challenges.

27. The IDeA and DCLG will meet quarterly to discuss the progress report the IDeA has submitted and published and wider policy lessons for Government.

Programme Evaluation

28. In its reporting the IDeA will demonstrate that it has systematic approaches in place for collecting, analysing, and interpreting information relating to the grant funded work-streams enabling the IDeA to answer questions on the effectiveness and efficiency of the programme, including on the quality of outcomes. This will be partly informed by a regular survey of senior leadership satisfaction. The IDeA will demonstrate that the programmes are delivering the intended impact and effect.

Transparency

29. The IDeA and bodies it passes grant to to help deliver the improvement programme should primarily be accountable to local government for the delivery of the programme of sector improvement support set out in this Memorandum of Understanding. The IDeA and bodies it passes grant to to help deliver the

improvement programme, will, therefore, be transparent and open with all local authorities and the public about how they deliver the programme of sector improvement support, following the principles and practices that apply to local authorities through the Local Government Transparency Code 2015.

30. Annex C sets out the information which the IDeA and/or bodies it passes grant to to help deliver the improvement programme will publish.

Co-operation

31. The IDeA, and bodies it passes grant to to help deliver the improvement programme will, as part of their challenge and intelligence role, use diagnostics and work collaboratively with local authorities, inspection bodies and Government departments to identify at an early stage where serious risks to performance are developing and act with them to mitigate the escalation of those risks which would have a negative impact on the reputation of the sector.

32. In delivering the programme of sector improvement support set out in annex A the IDeA will work closely with other bodies providing support to local authorities and their partners.

Review

33. IDeA and DCLG will keep the programme of support outlined in the MoU under regular review to ensure it best meets the needs of the sector and jointly agree any changes. The quarterly progress meetings (above) provide one opportunity to do this. In addition the Secretary of State and the IDeA agree to review this Memorandum of Understanding (MoU) by the 31st October 2017 to consider any revision to the allocation of funds, identified outcomes and activities to be delivered.

Signatures

Cllr William Nunn
Chairman
Improvement & Development Agency

Jo Farrar
Director General - Localism,
Department for Communities
and Local Government

Signed: 

Signed: 

Dated: 4/5/17

Dated: 24/4/17

ANNEX A - Programme of sector improvement support for 2017/18

ENABLING IMPROVEMENT IN LOCAL AUTHORITIES

There is now real momentum around sector led improvement. Councils support the approach, value the tools and support provided and report that this has a positive impact on their authority.

Challenge and support from one's peer's lies at the heart of our approach. Councils recognise the need for peer challenge to be adopted by all councils and that they will need to increasingly work with other partners from the public sector, private and from the voluntary and community sectors to realise their ambitions for their communities. The Corporate Peer Challenge (CPC) offer focuses on councils' leadership, corporate capacity and financial resilience – but is also able to be flexed to focus on other significant local issues such as homelessness; economic growth; transformation, etc. The Corporate Peer Challenge (CPC) has recently been refreshed and strengthened. We will continue to keep it under review and are currently implementing a number of the recommendations from the recently published independent evaluation from Cardiff University – including, for example, how we can use “impact stories” to promote and market CPC and how we can draw out and widely share good practice. There is an expectation that all councils will have a corporate peer challenge or finance peer review over a 4 to 5 year period. The LGA will proactively market peer challenge to those councils with zero/low take up.

A tiered approach to the peer based model has been introduced, recognising that whilst most support offers will be universal some councils will sometimes face more significant challenges and will require more bespoke support. In these circumstances work will be undertaken with councils to develop intensive packages of support drawing appropriate elements from this wide-ranging offer. The peer-based model has also been adapted to provide support for councils who are looking to work with their partners around a placed-based approach or to work with other councils.

As part of the approach to sector led improvement it has been agreed with the sector that the LGA maintains an overview of the performance of the sector and uses this information to drive improvement in the overall performance of the sector. The LGA also manages the risk of significant underperformance at a service or corporate level in councils in order to minimise the number of councils that government need to consider intervening in. In order to help the LGA do this it looks to Government Departments to share any concerns with it at the earliest opportunity.

We will:

- help councils to continue to achieve the outcomes they set for their communities

- ensure that the need for intervention by government of councils is kept to a minimum
- support councils to improve, as measured by a basket of performance indicators commonly used by councils
- help local government to continue to be the most transparent part of the public sector
- help fire and rescue authorities on their process of reform and change in response to the new independent inspection regime.

In order to achieve this we will:

1. Deliver at least 110 peer challenges.

This will include at least 70 corporate or finance peer reviews.

Peer Challenge is a process commissioned by a council and involves a small team of local government peers spending time at the council to provide challenge and share learning. The team normally involves a council leader, chief executive, specialist officers (depending on the scope) and an IDeA peer challenge manager. It will often include peers from the business, health and voluntary sectors and with the agreement of the authority concerned, representatives from Government Departments.

Peer challenges are offered across a range of subjects including:

- corporate peer challenges focusing on issues of leadership, corporate capacity and financial resilience;
- finance reviews (including consideration of major spend areas such as children's services, adult social care, etc) and health checks;
- service specific peer challenges, particularly on child safeguarding, adults, health and housing;
- place-based peer challenges.

Peer challenges normally last between 3 and 5 days, at the end of which there is a feedback presentation which is in turn followed by a formal report.

- 2. The LGA will continue to proactively market peer challenge** to those councils with zero/low take up, and share the analysis of those areas that have not engaged with sector support with DCLG as part of their end of year monitoring report.
- 3. Provide tailored member/officer peer support to at least 75 councils.** For example one to one support for individual councillors from experienced councillors with relevant expertise e.g. mentoring for new portfolio holders from an experienced portfolio holder from the same political party and an authority facing similar challenges, or mentoring support to a Chief Executive.
- 4. Provide change of control support to 20 councils.** A change of council control or political Leader/Mayor can be a vulnerable time for councils. In order to help the new political team make a good start the IDeA offers five days free

support from experienced member peers for new leaders and cabinet members, and where necessary other forms of support.

5. **Provide support to at least 10 councils to manage and resolve issues between the political and managerial leadership.** Acting as an independent and trusted partner to help resolve disputes between leading members and senior managers – often at the most senior level - to ensure these councils continue to deliver the outcomes they are seeking for their communities.
6. **Provide top team development support for at least 10 councils.** Support for the council leader and cabinet to improve strategic direction and leadership (this could include the chief executive and corporate management team if requested). Support is tailored to the specific needs of each council and team(s) and can cover a variety of needs including visioning, team building, roles and relationships, leadership styles, performance management, budgeting and financial monitoring, and communication.
7. **Provide service based or subject support to at least 45 councils.** This might, for example, include bespoke support such as helping develop an economic development strategy, reconfiguring a library service, helping a council strengthen its performance management arrangements, etc.
8. **Provide a range of support for scrutiny, accountability and good governance through the Centre for Public Scrutiny.** This will include:
 - Continuing national support – helpdesk, maintaining networks, organising conferences and roundtables etc,
 - 50 days direct support to individual authorities,
 - Options around guidance and advice on finance scrutiny.
9. **Hold regular meetings between LGA Principal Advisors (PAs) and all councils** to discuss challenges and support. PAs are the LGA's focal point for discussions with councils about their improvement needs and the support the LGA can make available. PAs work with regionally based improvement programmes, for example with the Care and Health Improvement Advisers funded by Dept of Health, to coordinate support. PAs also make use of data and intelligence to discuss potential risks/challenges, offer support and share good practice and expertise across the sector. Drawing on this the LGA will hold regular meetings with DCLG and government departments to provide opportunities to share information and concerns.

Given the additional money for adult social care, we will take account of the new measures being introduced alongside the new money and work closely with the wider Care and Health Improvement programme funded by DH. This will include ensuring, where appropriate, that all our programmes of support have regard to the new measures. We will also work closely with CQC on

their review programme including drawing upon our pool of peers and associates to assist in this work.

10. **Deliver a safeguarding adults programme** to support councils in their lead roles including peer challenge, leadership support for lead members and capturing innovative practice to share with others and **deliver a programme of support for children's social care** (particularly safeguarding) working with the Children's Improvement Board (comprising representatives of ADCS, SOLACE and LGA) and support to help councils tackle issues such as adoption and child sexual exploitation effectively.
11. **Provide bespoke support for at least 10 councils with the most severe performance challenges.** This is a package of bespoke support for councils identified by the LGA and the Department as having the most severe performance challenges and at risk of intervention or in intervention. A programme of support, developed with the local authority, will be delivered to help it overcome severe challenges. Councils deemed to require this level of support will have access to a rapid response team of senior members/officers with the appropriate mix of specialist skills and experience to help them respond to the challenges being faced. Beyond this IDeA will package together a combination of the support offers outlined in the four core work-streams set out in this Annex. For example this may include leadership development and mentoring; top team development work for the senior member/officer team; peer challenge; specialist subject specific support e.g. from a children's improvement adviser; signposting to relevant good practice; etc. and could be delivered over a period of many months.
12. **Provide support to fire and rescue authorities**, as required, through a tailored peer challenge process that aligns with and complements the new independent inspection regime for fire and rescue services being introduced in the autumn of 2017. The inspection regime will include both full inspections and thematic inspections on individual issues including diversity, collaboration and flexible deployment.
13. **Provide support to at least 20 councils to improve the way they engage with their communities** and establish a clear vision based on their residents' concerns about the priorities for the council.

EFFICIENCY AND PRODUCTIVITY

Providing value for money and improving the efficiency and effectiveness of councils is as important today as it's ever been. Over the last five years councils have made great strides to reduce costs whilst maintaining the quality of service delivery. The efficiency and productivity programme is designed to ensure that local government continues to be the most efficient part of the public sector and comprises a range of initiatives and support to help councils continue to improve their productivity and efficiency - including the development of common solutions or the facilitation of collaborative approaches where appropriate. More so than ever before local authorities need to look at how they now go beyond efficiency savings to how they can transform their services making use of digital and other opportunities. Our refreshed programme will support this area of work.

Strands involve:

- Transforming services: to make them more efficient, less wasteful or to find more effective ways of delivering local people's needs - including digital tools and techniques to improve online transactional services;
- Smarter sourcing: commissioning and procuring services, goods and works more efficiently;
- Generating income; for example through commercialisation, better use of assets or investing to grow the local economy.

We will:

- Support councils to continue to achieve value for money for the outcomes they set for their communities
- Help councils to continue to become more productive through a range of programmes of support
- Support councils to ensure they are effectively managing their finances and making informed financial decisions
- Support councils to share services and management teams with each other and with other public sector organisations
- Support councils to generate new sources of income to supplement their local tax raising powers.
- Support councils to adopt a more demand management approach to help them better manage different types of demand, including through the use of digital technology.

In order to achieve this we will:

1. **Develop opportunities for local authorities to enter more strategic procurement arrangements**, working with professional buying organisations including the Yorkshire Purchasing organisation (YPO), the Eastern Shires Purchasing organisation (ESPO), the North East Procurement organisation (NEPO) and the Crown Commercial Service (CCS) where appropriate, saving councils at least £10m pa. In line with the recommendations of the Local Government National Procurement Strategy we will:
 - a) Refresh category strategies and/or support councils in implementing good practice in the high spend areas: Information Technology, Social Care, Energy and Construction. Within each category tools and products will be developed to help councils achieve better value (including social value and better outcomes) through procurement.
 - b) Support 9 experts to strategically manage relationships, on a national basis, with local government's key suppliers, informed by spending analyses to provide robust data on which to base the work.
 - c) Support councils to encourage innovation in local government procurement practice and in responding to change in the procurement and commissioning environment.
2. Oversee the sector-led body established to put in place national contracts for provision of external audit service to councils, ensuring these are operating in a cost-effective way and responding to the needs of the sector.
3. **Provide productivity and income generation experts to work with at least 25 councils, saving the councils or generating income of at least £25m:** Through this programme IDeA identifies and provides an expert for councils, providing additional skills, capacity, or expertise to realize efficiency savings e.g. to improve approaches to procurement, renegotiate contracts, rationalise capital assets, etc. The expert could be from another council, public sector organisation or the private sector and will have successfully implemented a project with results similar to what the council is trying to achieve.
4. **Help councils become more commercial and achieve savings or generate additional income of £10m** by providing a range of support to help councils with improving the way they commission services and use their commercial opportunities. This includes advice, case studies, a commercial skills training offer and access to commercial expertise.
5. **Increase the efficiency savings councils make through sharing services** by continuing to support councils to share services, refreshing the annual national shared services map and by continuing to run a matchmaking service

for councils contemplating making greater use of shared services or to expand their existing arrangements. We will also explore the extension of the matchmaking principle to other areas e.g. digital collaboration.

6. Support 8 Councils to manage demand for services by **understanding the behaviour of their customers and staff** and develop a “top tips” guide to the use of behavioural insights to manage demand.
7. **Provide expert financial advice and assistance to 40 councils** (as distinct from finance peer reviews) to help them address specific issues. Assistance includes, but is not limited to, financial sustainability (including consideration of major spend areas such as children’s services, adult social care, etc), integrated budgets, management of risk and new delivery models. Examples might include: technical support to the medium term financial planning process and advice on capacity building within the finance service; expert advice to support changes to a council’s budget monitoring process and approach to budget risk; advice on the appropriateness of financial standing orders, etc.
8. Working with Fighting Fraud Locally, CIPFA and others, help councils to be more pro-active in dealing with fraud. This will include **supporting counter fraud initiatives** in local government and researching and publicising learning from the DCLG Counter Fraud Fund pilots run in 2014/15 and 2015/16.
9. **Equip 10 councils to use design techniques to transform services and/or manage future demand including making use of digital or other opportunities.** Through the “Design in public sector” work with the Design Council, delegates from up to 10 councils will receive the mentoring and guidance needed to implement new activity and tangible projects over a 90 day period and their experiences and knowledge will be disseminated across the sector.
10. **Maintain and improve LG Inform**, the on-line data and benchmarking service, enabling the comparison and analysis of performance and thereby enhancing local accountability of councils. Over the coming year we will:
 - a) ensure that key financial data from the Audit Commission vfm profiles is made available to councils on the LG Inform or similar platform,
 - b) produce at least six ready-made reports for councils, on a range of subject areas including:
 - Housing/homelessness
 - Economy,
 - c) explore with DCLG the possibility of creating community cohesion bespoke reports,

- d) Provide DCLG with free access to LG Inform and LG Inform Plus.
11. To ensure that Councils are well prepared to make effective, efficient use of digital technology and play a full part in digital aspects of various government strategies, including the UK's industrial strategy, and working where appropriate with Government agencies, including the Government Digital Service (GDS), we will:
- a) Continue to develop resources and good practice (including case studies) from our digital expert and digital and data programmes and cascade across local and combined authorities,
 - b) Work with the sector to build capacity in digital transformation of local authorities, digitisation of transactions and digital leadership,
 - c) Provide tailored support to councils promoting ambitious use of digital to provide efficient public services and local economic growth,
 - d) Support the delivery of the National Cyber Security Strategy by widening digital and cyber resilience awareness across local authorities; hosting the Cyber Security Stakeholder group; and developing by 31st July 2017, and then helping coordinate the delivery, with others, of a plan of support on cyber security work, which will include:
 - Hosting official advice and guidance on the LGA website and disseminated via LGA newsletters, *first*, publications, events and campaigns,
 - Hosting discussions/round tables with council chief executives and elected members including at the LGA Annual Conference; facilitating a discussion at the LGA Improvement and Innovation Board and at the LGA's Chief Executives Sounding Board, and in association with the National Cyber Security Centre and National Cyber Security Programme discussing at the Local Government Delivery Council (LGDC) and LG Cyber Security Stakeholder Group, in order to raise local authorities' awareness of the risks and cost of cyber-attacks on local public service systems – and share lessons,
 - Enhancing the number of peers in the peer pool who have expertise in digital transformation and cyber security,
 - e) Coordinate and promote open data standards,
 - f) Develop at least 12 senior councillors through continuation of the data and digital leadership programme.
12. **Update and further develop the on-line searchable database of innovation and other notable practice** designed to help councils identify opportunities to save money and generate income. Examples of good/innovative practice are gathered from our contacts with councils,

including peer challenges. There are currently over 1,000 examples on the data base.

13. **Run the Innovation Zone** at the LGA annual conference – showcasing over 25 examples of innovative practice relevant to local authorities and providing another opportunity for local authorities to learn what works from each other.
14. Work with the Cabinet Office to extend the One Public Estate programme until 2020, and with a sustainable funding model thereafter, with the aim of covering 95% of the country, and with a view to reducing running costs on central and local government assets by £98m, generating £415m in capital receipts and creating 44,000 new jobs and 25,000 new homes by 2020.
15. **Deliver the Commissioning Academy Leadership Essentials** courses attracting at least 20 councillors. These courses, run jointly with the Cabinet Office, are designed for councillors involved in the commissioning of services to help them develop their knowledge and skills.
16. **Help councils to deliver efficiency savings** through collaboration with Local Partnership, in areas such as waste and waste disposal, re-financing PFI contracts, undertaking major contract/ fundamental spend reviews, etc. This will include working with:
 - a) up to 10 Councils to help them arrange re-financing of their current PFI contracts and help realise up to £10m of annual savings,
 - b) up to 15 Councils to help them achieve savings on the soft service elements of their PFI contracts with a target saving of £3-£5m,
 - c) up to 10 new Councils to help them achieve guaranteed savings on current energy spend with a target saving of £5m,
 - d) 2/3 groups of Councils interested in considering new forms of governance etc. and/or achieve significant financial savings, and
 - e) We will train officers in up to 5 Councils on effective project and programme management.

LEADERSHIP AND CAPACITY

Effective leadership has always been at the heart of effective democracy, and the LGA and IDeA both remain committed to supporting and developing the councillors and senior officers on whose shoulders this rests.

We know that local government is only ever as vibrant, effective and relevant as the people running it. In the context of new challenges for the sector - whether it be incentivising economic growth, or the onward devolution of powers to Mayors and Combined Authorities - a new cadre of leaders at both political and officer levels is required.

These leaders need to be capable of building strong working relationships, both across their communities and across central and local government. These leaders should also reflect the diversity and richness of the communities they serve.

We have a duty to support and challenge the politicians and council officers of today to be the best leaders they can, and to encourage and talent spot the best leaders for the future – helping the sector to build a cadre of strong viable leaders at senior levels.

Individual councils themselves invest considerably in developing the workforce skills and managerial capacity of their senior managers. Our programme is designed to support councillors and officers at each stage of their careers and to secure a continuous supply of high calibre recruits into the sector. In addition, to enhance leadership across the public sector, we will also create more opportunities by which senior, aspirant and future leaders across local and central government can come together and work collectively.

Finally, because the health and vitality of our sector depends on ensuring that the pipeline of talent continues to flow into local government, we will explore with SOLACE, CiPFA and others, including central government, how we can better ensure a continuous supply of skilled, high calibre senior managers into local government.

Our leadership offer aims to support these objectives.

We will:

- provide development programmes and direct support to improve the skills of councillors across local government
- provide support that is not only relevant, ambitious and flexible enough to respond to the changing local government agenda but that also offers value for money for councils and the places they serve
- provide national development opportunities that we know local politicians really value, with renewed vigour and refreshed content to reflect the challenges facing the sector

- provide support for leading members and senior officers to work together effectively
- support senior managerial leadership development across government and the wider local public sector
- support new talent into the sector - both councillors, graduates and apprenticeships,
- support councils to address the future workforce challenges and to provide the national negotiating machinery on pay and workforce issues.

In order to achieve this we will:

Effective joint political and senior officer leadership

1. **Provide training and support for at least 30 leaders and chief executives to develop their leadership roles** through the Leading Edge and other programmes providing them with the opportunity to work together on developing their leadership roles, exploring new ways of working and new models of service delivery, in particular focusing on dealing with the financial challenges facing local government and the opportunities created by Devolution.
2. **Provide top team development support for at least 10 councils** (see earlier Enabling Improvement section for further details).

Strong Political Leadership

3. **Provide development opportunities for at least 700 councillors with leadership roles in their councils** – including those in opposition – through the refreshed suite of leadership programmes. (Details of our programmes are set out in Table A).

The aim is that over 90% of participants agree that the programme has made a difference and that the confidence of leaders and portfolio holders in leading their councils increases by 15%.

4. **Support at least 60 ambitious and talented councillors with the potential to progress in their political careers through our Next Generation programme.**

The aim is that at least 50% of participants will go on to be cabinet members, committee chairs or leaders within the following 5 years.

5. **Support and facilitate bespoke “Be A Councillor” programmes with at least 20 councils** to enable them to promote democracy and attract a wider pool of talent to stand for election.

The LGA will create a “toolkit” and diverse set of resources which councils could use to create their own local, bespoke programmes to help attract new talent to stand for election. Resources available will include a specific focus on supporting local authorities to attract a more diverse range of candidates.

6. **Refresh and renew our e-learning opportunities for all councillors.** Over 7,000 councillors are currently registered to access e-learning modules. We will look at refreshing and renewing our current offer to ensure it reflects the needs of councillors. At the same time we will take the opportunity to join up our workbooks, course work and interactive online modules into a more connected offer. We will also look for partnership opportunities with other organisations that can help spread best practice and continuous improvement (e.g. CIPFA, Local Government Ombudsman).

Strong senior leadership and effective officer development

7. To take advantages of the opportunities on offer to local government chief executives and other members of council senior management teams will need to ensure that – along with other skills – they provide strong and clear leadership both at a system and personal level. To equip our leaders to do this we will:

8. **Continue to develop and support the cross public sector leadership development programme** we delivered in conjunction with SOLACE and central government last year. It is designed to create more opportunities for leadership development across government and the wider public sector: This will continue to include building on the success of Ignite, a leadership development programme created in conjunction with SOLACE and central government, to recruit at least 20 additional chief executives to the programme.

9. **Develop and introduce programmes to support the leadership development of managers in councils in partnership with SOLACE to include:**

- a) A programme for senior managers who aspire to be CEXs
- b) A programme that recognises and develops rising talent
- c) A management development programme aimed at “middle” managers.

Managerial leadership is essential and needs to work in conjunction with political leadership. These programmes would address all aspects of managerial leadership - from supporting the CEXs of tomorrow, to recognising the fast track rising talent in councils, to ensuring that other local government managers are equipped with the skills and knowledge to deal with the changing face of local government and public service delivery.

Graduate Recruitment

10. **Recruit at least 100 high calibre graduates in to local government**, working with councils to secure interesting and challenging placements for them through a two year management development programme as the basis for a successful leadership career in local government, and linking with graduate recruitment across the rest of the public sector.
11. Develop opportunities to create a trial interchange programme between NGDP and the Civil Service Fast Stream with the aim of at least 5 graduates spending up to 6 months on each exchange.
12. Support a programme of trial secondment opportunities between central and local government including less formal exchanges with the aim taking forward at least 20 such opportunities by end of March 2018.
13. Our programme will **help councils meet their public sector apprenticeship target** and maximise their levy investment. It will provide guidance and support to both encourage and help local authorities to achieve their apprenticeship targets by taking a planned approach to spending their Levy. It will help address skills shortages in the workforce and increase skill levels to meet present and future needs. The programme will support councils in a number of way ways:
 1. *Help councils deliver their apprenticeship targets through a variety of means, including:*
 - Running the Apprenticeship Campaign to encourage senior leaders and chief executives to sign up to “Apprenticeship 10 step plan” (working title) for their council
 - Running the Apprenticeship Levy Khub, providing weekly updates, sharing learning and practice, providing advice and answering queries
 2. Publishing an initial guide on apprenticeship standards for local government by July 2017.
 3. Working with key partners like Sector Skills Councils, professional bodies, and providers as well as councils to help facilitate and provide capacity to assist in the development of new standards where needed and to update the guide by end of March 2018.
 4. Providing a guide on apprenticeship procurement frameworks by October 2017 and support councils where required to procure national training schemes working with the relevant partners. This will include, for example:
 - working with key provider networks e.g. AoC and AELP and HE and FE partners to map provision for councils against skills needs and
 - assisting regional networks / groups of councils to undertake procurement / create procurement frameworks for apprenticeship training provision.

5. Supporting councils with workforce planning, including:
 - a. Delivering 4 cohorts of training offering 60 places to councils by March 2018, with two cohorts taking place by October 2017;
 - b. providing workforce planning support to partnerships/networks working with relevant providers to help match existing apprenticeship standards/frameworks to the skills and job roles required in local government; and
 - c. working with relevant partner agencies to monitor the number of apprenticeships delivered, working with the SfA and using DAS supplemented by a bi-annual survey to capture progress.

Workforce

14. **Support 80 councils to transform their workforces and modernise the way they are managed** through a range of HR/OD initiatives which focus on organisational structures, job design, health and wellbeing, employee engagement, developing new skills and integrating workforces.
15. **Directly negotiate a pay agreement for local government** that addresses the challenge of the National Living Wage and deliver pay agreements for a range of other occupational groups to avoid the duplication of single employer negotiations.
16. **Provide sector specific advice** on a range of employee relations and pensions issues including employment law, job evaluation and new developments covering exit payments and tax responsibilities (IR35). Help councils respond to the practical implementation implications of employment law proposals.
17. **Build on the success of the “21st century public servant”** e-book “Walk Tall” and support councils to take the work forward. This will include providing practical advice and sharing innovative practice to help leaders, senior managers, HR practitioners and employees define and implement the skills and behaviours necessary for modern public service organisations.
18. **Support 20 councils through the “Creating performing organisations”** programme. The programme improves how councils manage people performance aligning it to organisational goals and resources. The programme helps councils embed behavioural based approaches across their organisation’s systems and processes. The programme provides on-site support, access to use the on-line PACE Toolkit, on-site training workshops and sharing of practice for all councils via access to the PACE website.

19. **Promote flexible working to councils** as a way of recruiting and retaining skills and knowledge. This could include workshops, visits, Timewise councils and regional meetings aiming to engage with at least 50 councils.
20. **Roll out the 'Come Back to Social Work campaign'** with an ambition to facilitate the retraining of 100 social workers to return to the profession
21. Work with Central Government and national partners to **advise and support councils in addressing the workforce changes associated with public sector reform**. This could include leading the development of Employer Standards for the Public Health workforce; guidance on the employment of Medical Examiners and publishing an assessment of approaches to workforce challenges in places where health and social care integration is developing.

STRONG COMMUNITIES WITH EXCELLENT PUBLIC SERVICES

Central and local government are both committed to creating the right conditions to deliver strong local economies with local authorities delivering high quality, value for money services.

This means there needs to be a shift in power from central to local government. We want to see economic growth being boosted in a way that offers prosperity to every place. We want public services transformed so they prevent problems instead of just picking up the pieces. We want services to be built around people and their needs, joining up to make a positive impact on the lives of individuals, families and communities. To deliver the outcomes councillors are seeking for their communities, councils will need to transform their services and work with others. This will include continuing to put citizens first, integrating service delivery at the local level with other councils and with other public sector bodies including health and central government.

The government has embarked on a journey that will bring power close to local communities. This offer is to help councils on this journey. For those with deals already agreed, it will involve helping them with implementation. For those that are just embarking on the journey it will involve help to establish the meaningful partnerships required to sustain any deal.

We will:

- support areas to explore the opportunities provided by devolution
- support councils to transform their services, putting their residents first
- support councils, other public sector partners, private and the voluntary sectors to work together, including integrating services to deliver more cost effective outcome based services
- support councils in their ambitions to increase the supply of housing.

In order to achieve this we will:

1. Support areas with the development of their devolution bids as well as helping those areas where devolution deals have been agreed, capturing and sharing good practice. This will include:
 - a) holding at least four meetings of the network of combined authorities and devolution areas that supports the development of a strong, connected cohort of chief executives and/or lead officers to share their experiences and encourage the development of good practice
 - b) providing tailored capacity support in up to at least 6 combined authorities. The election of 6 combined authority mayors in May 2017 represents an important shift in the responsibilities and accountability of local government. Combined authorities will take on new powers in areas such as transport, skills and planning.

Drawing on its expertise the LGA will provide bespoke support and challenge to combined authorities to improve their strategic, organisational, economic, and political support functions.

- c) **developing as part of our suite of peer challenges a self-evaluation diagnostic** in partnership with combined authorities and trialling this in at least 3 areas
 - d) **producing a range of tools and web content** to increase councils' understanding of and ability to successfully manage devolution
 - e) **supporting new Mayors** to ensure that they are able to govern effectively, through bespoke support including political mentoring and top team development as well as at least two joint meetings
 - f) **working with NALC** to undertake work to identify principles and good practice for how principal authorities can work with local councils. This will build on #NewConversations recently commissioned by the LGA. We will jointly host a launch and workshop to present the outcomes and any resulting guidance and/or recommendations to both sectors by March 2018
 - g) in conjunction with the Leadership Foundation for Higher Education (HEFCE) and Universities UK (UUK) **delivering the second phase of the Leading Places programme** supporting up to 5 partnerships to build and transfer best practice in collaborative leadership between combined/local authorities, universities and other institutions.
2. Help councils put housing at the centre of solutions to wider public service challenges by developing an improvement offer based on the LGA Housing Commission's key findings. The offer will support councils to meet the ambitions of the Housing White Paper, *Fixing our broken housing market* by focusing on delivering homes, generating revenue or finding savings, and preventing and relieving homelessness. In the light of the Commission's initial findings this could involve a programme of action learning events and in-depth work directly supporting a number of councils on an improvement journey, and drawing out lessons for the whole sector through case studies and regional events. Work alongside DCLG to support councils to take a strategic approach to homelessness prevention and the implementation of the Homelessness Reduction Bill, including securing enhanced collaboration across local authorities and wider public services to improve prevention outcomes and therefore cost effectiveness.
3. Through our support to Local Partnerships we will work with 3/4 Councils unsuccessful in the current bidding round and support them to achieve accelerated housing delivery in their area. We will publish a best practice guide and organise with the LGA regional launch events.

4. Through our arrangement with Local Partnerships we will work with 2 Waste consortia, with a particular focus on Combined Authorities, to identify savings on current spend. Target savings £4m per consortia. We will continue to hold best practice Regional network events.
5. **Support officers and members to strengthen councils' licensing and regulatory functions** so they are better placed to address issues like child sexual exploitation. This will include developing guidance on the scrutiny of licensing applications.
6. **Provide support to councils to assist them in tackling modern slavery** by identifying and disseminating existing good practice including around procurement and eliminating modern slavery from supply chains.
7. **Ensure** that councils are making an effective contribution to the public health system, by addressing the issues of health inequalities and examining the links between economic growth, employment and health.
8. In order to address issues around opportunity, integration and extremism, develop a programme of **support to councils to strengthen community cohesion and counter extremism**, taking account of the Government's developing strategy around Community Integration. This is likely to include:
 - developing a leadership offer for councillors,
 - bespoke training for councils
 - refreshed guidance around community cohesion and integration
 - identification and sharing of good practice
 - advice to support effective scrutiny.
9. **Strengthen fire and rescue authorities'** ability to drive up efficiency, increase collaboration with other emergency services and the health service, improve transparency and accountability and reform the workforce. This will include providing leadership training for fire and rescue authority members.
10. Work with DCLG to ensure that the national **Troubled Families Programme**, which is delivered for the government by 151 upper tier authorities, is effectively implementing service transformation across Early Help services in order to provide better outcomes for families, deliver better value for the tax payer and improve service delivery on the ground in a manner which will be sustainable beyond the life of the programme. We will explore with DCLG the possibility of developing a peer led methodology to support local areas' self assessment on their service transformation journeys as an outcome of the Troubled Families programme.
11. We will increase opportunities for the business community to work with local government at various levels. This will include:

- a) Establishing a forum for the CBI and other leading business organisations to meet with representatives of the sector including councils themselves to explore opportunities for more collaborative working,
- b) Establish a Town Centre Regeneration Network and promote examples of good practice, including via the LGA website and the LGA Conference.

TABLE A

Strong political and managerial leadership

During 2017/18 IDeA will provide development opportunities for at least 700 councillors with leadership roles in their councils.

The LGA recently reviewed and refreshed the political leadership offer. As a result a tiered offer has been developed supporting councillors to progress through the various stages of their political career from an initial expression of interest (Be a Councillor) to focussed support for council Leaders.

The key programmes are:

Leaders Programme: The Leaders Programme is a modular leadership development opportunity **designed around the needs of council leaders** – including a balance of party-based and cross-party components. The programme seeks to create a safe space for council leaders to share their concerns and challenges; learn from one another; work together on addressing the big issues they face; and explore and test new ways of working and leading across their organisations, partnerships and communities. Participants themselves set the programme agenda, selecting from a menu of expert speakers and supported throughout with external facilitation.

Leading Edge: a series of invitation only 24-hour residential events for leaders and chief executives from a variety of councils, offering a safe space and support for them to share thinking and ideas on key issues affecting their councils. Previously this has been themed around utilising new technology in service delivery, leadership for improvement aimed at district council leaders and chief executives, etc.

Leadership Academy: The flagship leadership development programme accredited by the Institute of Leadership and Management (ILM), the UK's leading award winning body for leadership and management. The Leadership Academy is **designed for councillors in all types of leadership positions**. It is a modular development programme with three, two-day cross-party residential modules which take place over a three month period, as follows:

- Module 1: focuses on leading through relationships
- Module 2: looks at leading innovation and change
- Module 3: explores leading communities and place.

Leadership Essentials: themed learning opportunities **designed for portfolio holders or service committee chairs** and also open to interested council leaders. Each two-day cross-party residential event concentrates on a specific portfolio area, such as Planning or Children's Services, or a specific theme, such as communications or finance.

Next Generation: The Next Generation programme is **for ambitious and talented councillors who are interested in a party political development opportunity** (including Independents). The programme is uniquely developed within party political traditions and with party political experts. The format of each programme is slightly different but usually based around three residential blocks, each lasting two days with different additional events for each programme.

Focus on Leadership: Focus on Leadership is intended to help councillors in their existing roles and provide a bridge to more senior leadership positions. It is **open to councillors who are interested in making links with others in a similar position or**

situation. Programmes include one or two day cross-party residential events, for example: The Young Councillor's weekender, BAME Councillor's Weekender and Effective Opposition – helping councillors to build valuable networks with peers from across the country.

Community Leadership: provides a number of resources to support councillors, particularly new councillors, in their role as community leaders, facilitators and advocates. Offering a choice of different learning methods, the Community Leadership resources range from e-learning modules, our annual Councillor's Guide (a quick reference guide to key things councillors need to know), self-guided workbooks and training events held in council offices on topics such as induction, effective ward councillor, chairing skills and social media.

Be a Councillor: The "Be a Councillor" campaign works with councils, political parties, individuals and talent-spotters to encourage more people to stand as a local councillor. The campaign offers a range of materials and tools that can be tailored to offer a bespoke local campaign, taking into account factors such as the culture, society and geography of specific areas. Alongside from promoting the role of a councillor and supporting councils to encourage democratic participation, the campaign in 2017-18 will have a particular emphasis on encouraging underrepresented groups to stand for election. New tools and resources will complement events, the objectives of which are: to identify and contribute to reducing the barriers faced by individuals considering standing for election, publicise the role of the local elected representative and ultimately increase and diversify the pool of candidates from which the electorate choose from. There will be a particular focus on encouraging more women, younger people and BAME individuals to stand as local councillors.

ANNEX B

INDICATIVE BUDGET 2017/18

Budget Area	£000
Councillor Services	384
Group Offices	382
Executive and Business	466
Organisational Governance	1,232
Service Improvement	2,030
Local Government Improvement and Peer Support	6,613
Support for Councils at risk	836
Leadership and Localism	1,862
NGDP	272
Productivity	2,572
Research, Information and LG Inform	1,226
Improvement and Leadership	13,381
Negotiations	1,380
Workforce and Transformation support	554
Workforce	1,934
Conferences and Events	545
Website, Good Practice and Improvement	698
Communications	1,243
Local Partnerships	1,000
CfPS	180
TOTAL	21,000

ANNEX C

Information to be published by the LGA and the IDeA

- A. The information to be published covered in this annex is consistent with the principles and practices placed on local authorities through the Local Government Transparency Code 2015.

Annual accounts

- B. The LGA and the IDeA will publish audited annual accounts online for 2016-17 by end of July 2017.

Board papers

- C. The LGA and the IDeA will publish board³ papers relevant to the delivery of the programme of sector improvement support set out in annex A three days before the board meeting. And the relevant sections of the minutes for board meetings will be published within one month of the meeting.

Communication with local authorities

- D. The LGA will write (including electronic dissemination) to local authority Leaders and Chief Executives in April 2017 to publicise the improvement offer to local authorities and the core details contained in this Memorandum of Understanding. And in November the LGA will write again to set out progress in delivering the improvement offer.

Contracts

- E. The LGA and the IDeA will publish, on a quarterly basis, details of new contracts or legally enforceable agreements they have signed with third parties for the provision of goods and/or services that support the delivery of the programme of sector improvement support set out in annex A.

³ For example, the LGA's Improvement and Innovation Board and IDeA's company board.

Expenditure exceeding £500

F. The LGA and the IDeA will publish details of each item of expenditure that exceeds £500⁴ that is incurred delivering the programme of sector improvement support set out in annex A. For each individual item of expenditure the following information will be published:

- date the expenditure was incurred
- beneficiary
- summary of the purpose of the expenditure⁵
- amount⁶
- Value Added Tax that cannot be recovered, and
- merchant category (e.g. computers, software etc.).

Organisation chart

G. The LGA and the IDeA will publish an organisation chart, by 31 July 2017, covering all staff whose salary exceeds £50,000 engaged in the delivery of the programme of sector improvement support. The following information will be published for each member of staff included in the chart:

- grade
- job title
- responsibilities (for example, the services and functions they are responsible for, budget held and number of staff)
- whether permanent, temporary or contractor
- contact details
- salary in £5,000 brackets, consistent with the requirements⁷ placed on local authorities
- salary ceiling (the maximum salary for the grade), and
- details of bonuses and 'benefits-in-kind'.

⁴ The threshold should be, where possible, the net amount excluding recoverable Value Added Tax.

⁵ This could be the descriptor that the LGA and the IDeA use in their respective accounting system providing it gives a clear sense of why the expenditure was incurred or what it purchased or secured.

⁶ Where possible, this should be the net amount excluding recoverable Value Added Tax. Where Value Added Tax cannot be recovered – or the source of the data being used cannot separate out recoverable Value Added Tax – then the gross amount should be used instead with a note stating that the gross amount has been used.

⁷ Under the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817).

Pay multiple

H. The LGA and IDeA will publish, by 31 July 2017, the pay multiple for staff engaged in the delivery of the programme of sector improvement support. The pay multiple is defined as the ratio between the highest paid taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole workforce. The measure will:

- cover all elements of remuneration that can be valued (e.g. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)
- use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year, and
- exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.

Performance reports

I. The IDeA will publish the quarterly performance report it submits to the Secretary of State setting out:

- the support delivered to local authorities in the previous three months, and the year to date
- the outcomes and outputs delivered in the previous three months, and progress against the targets set out above
- how grant has been spent in the previous three months and the year to date
- problems in delivering the programme of sector improvement support set out in annex A and
- any proposed changes to this Memorandum of Understanding.

J. The first quarterly performance report will be published in July 2017, covering the three months April to June 2017. Performance reports will be submitted and published every three months thereafter.

Memorandum of Understanding

K. The Department for Communities and Local Government and the IDeA will publish this Memorandum of Understanding.

