



APPENDIX A

**Business Plan 2014-15
DRAFT
Leadership Board 22 January**

Foreword

Last year the LGA successfully used its annual conference to set out, through its “Rewiring Public Services” campaign, a range of propositions that would change the relationship for the better between central and local government, and address the financial issues that are providing serious challenges to councils. Since then the LGA has been ensuring that these propositions are heard, understood and – we hope - adopted by those writing party manifestos as we move towards the 2015 General Election.

Our proposals are also being taken forward in the LGA’s priorities and work programmes for the year ahead. Our aim in 2014/15 is to build on our “Rewiring” work focusing on the key challenges for the sector, and what needs to be done to address them.

Although we’ve started to see some encouraging signs that the economy is recovering, the country urgently still needs to address what is probably the most important political questions for a generation – what should public services in post-austerity Britain look like? What can or should we afford to provide? And what should people now be organising and providing for themselves?

Councils are shouldering the biggest spending cuts of any part of the public sector and the Office of Budget Responsibility predicts that the next spending review period will see more of the same. So far, most areas have been able to protect the most valued local services. Innovation, increased use of technology, shared services, reductions in staff and relentless efforts to become ever-more efficient has meant that the visible impact has been relatively small for many people. But with half of local government’s savings still having to be found before April 2016 and more cuts promised thereafter, it will no longer be possible to keep slicing away at budgets without services suffering or, in some cases, disappearing completely.

As the economy steadily improves, people will expect the services which underpin our daily lives like care for the elderly, the upkeep of our roads or the collection of our waste, to improve with it. Instead, we’re currently on course for the upturn in the nation’s finances to coincide with services teetering on the edge of failure and some councils and hospitals on the brink of financial collapse. The public’s expectations need, therefore, to be grounded in a new reality.

However much we innovate, public services in post-austerity Britain will never return to how they were before 2010. We must not pretend that nothing changes when you severely cut budgets and hold down council tax. It would be damaging to suggest otherwise.

We are long overdue a fundamental reform of how public money is allocated and spent. Towns, cities and rural areas across England need to have the same freedoms enjoyed by the devolved nations. It is only by breaking down the barriers which stand between decisions taken in Whitehall and services provided in local communities that we can really start the process of redrawing public services.

Now is the time for all of us to show real leadership. We need to be open and we need to be radical if we are to ensure that post-austerity Britain is not stifled by the designs and expectations of a pre-austerity age.



Sir Merrick Cockell
LGA Chairman



Carolyn Downs
LGA Chief Executive

The LGA's priorities

Our mission

The LGA is the national voice of local government. We work with councils to support, promote and improve local government.

We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

The LGA will fight local government's corner, supporting councils through challenging times and focusing our efforts where we can have real impact.

Our vision for local government

We want to enhance the quality of life for everyone in England by rejuvenating democracy and giving back to people real reasons to participate in civic life and their communities. We want participation in local elections to be a must-do and people to have a meaningful vote on a wide range of local tax and spending decisions. This means significant devolution of powers from Westminster to the local level.

We want to see economic growth being boosted in a way that offers prosperity to every place, with well-targeted and planned investment in infrastructure, training and housing and help that really leads to jobs and an adequate supply of affordable homes.

We want public services to be transformed so they prevent problems instead of just picking up the pieces and focusing on failure. We want services to be built around people and their needs, making their areas better to live in, and joining up to make a positive impact at the same time as saving money.

To help achieve this vision, our top priorities for local government for the year ahead are:

- **Funding for local government** – reform of the finance system so councils have confidence their financing is sustainable and fair, opportunities to raise more funds locally, and greater ability to promote collective working across local public services.
- **Economic growth, jobs and housing** – councils are recognised as central to revitalising local economies.
- **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.

We will continue to make a powerful case for greater independence for local government. This means ensuring that the existing political momentum for localism results in real and concrete further devolution, with greater financial and decision-making autonomy for democratically-elected councils.

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.

Local government is all about ensuring fairness for communities and enabling all the people who live there to thrive. Helping councils achieve this is therefore part of everything we do - inclusion and equalities issues inform all of our work.

Our priorities

Funding for local government

Reform of the finance system so councils have confidence their financing is sustainable and fair, opportunities to raise more funds locally and greater ability to promote collective working across local public services.

- ***There is a transparent system of local government finance at national and local level*** – we will lobby for fair funding for England and English local government, multi-year funding settlements to enable councils to invest in economic growth as well as services that focus on early intervention and prevention, and a localised distribution system that appropriately balances needs and incentives.
- ***Future spending reviews deliver fair, timely and flexible local government finance settlements*** – we will lobby for fair financial settlements for local government and ensure that the financial consequences for local government of central government reforms are understood and adequately funded, in particular in the areas of welfare reform, adult social care and children including 0-5 public health, social care and education.
- ***People have a meaningful local vote on a wide range of tax and spending decisions*** – we will encourage a debate on local financial autonomy and the future of local government finance with a view to achieving local control over council tax and business rates along with the right to determine new local taxes and also set fees and charges which fully recover costs.
- ***Local services and decisions are brought together in one place, for each place, for issues ranging from economic development, to health, to law and order*** – we will promote the benefits of integrated budgets and support councils and their partners in developing new governance and delivery arrangements to achieve this.
- ***Councils are effective in dealing with the impact of reduced funding, taking steps to ensure that they continue to be financially sustainable*** – we will provide practical support and advice to councils on surviving financially, managing risk and taking big, difficult decisions on spending.
- ***Councils have access to alternative sources of finance to encourage investment and create jobs*** – we will lobby to free local government borrowing from Treasury restrictions and work to set up a Municipal Bonds Agency.
- ***There are robust and proportionate audit arrangements for councils*** – we will support councils in procuring cost-effective external audit services in the interests of transparency and accountability to local taxpayers.

Economic growth, jobs and housing

Councils are recognised as central to revitalising local economies.

- **Councils have a key role to play in driving economic growth, new jobs and wealth creation** – we will lobby for the devolution of powers, policy and funding streams to secure UK growth and promote the menu of freedoms granted to the early City deals so that these are offered to all LEP areas.
- **Infrastructure is developed quickly and efficiently and targeted to maximise growth** – linked to our proposals for alternative sources of local government finance, we will support councils in working with their partners to maximise the value of local and national infrastructure investment, in particular through our support to Local Partnerships – a joint venture with H M Treasury
- **Councils play a lead role in improving educational standards, working with businesses locally to match education, training and skills with employer need** – we will continue our Hidden Talents campaign to ensure all young people are supported to participate in quality skills, training and employment, and develop proposals for locally led employment and skills programmes which secure sustainable outcomes for the long-term unemployed.
- **Councils unblock the barriers to house-building and drive the increase in housing supply the nation needs** – we will continue to make the case for councils to promote affordable and social housing by using their own borrowing powers and encouraging third parties through the planning system, and work to ensure councils have the tools to manage the housing impacts of welfare reform.
- **Councils maintain their planning powers and freedoms and there is certainty and stability in the planning system** - we will continue to make the case for local decision making on planning, and provide support to councils in developing local plans.
- **EU funding is devolved to local partnerships as part of a wider package for local growth** – we will lobby at European and national level to ensure the optimum delivery of EU funds for LEP areas.
- **Councils are at the heart of the commissioning and delivery of household energy efficiency schemes** – we will champion councils' role in leading action on energy efficiency and green energy and ensure they have the flexibility and resources to support local initiatives to reduce energy costs, tackle fuel poverty and build resilience to climate risks.
- **Councils have the necessary levers to maximise the impact of their culture services as drivers of growth** – we will support councils in linking culture, planning and the visitor economy to build the heritage of the future and to get value for money from their investment in broadband.
- **Councils work with businesses to determine right level of risk and regulation for a local area balancing community protection with economic growth** – we will work with councils to develop localised, simplified regulation that reduces red tape for businesses and support them in their work to develop vibrant and prosperous high streets.
- **Councils and fire and rescue authorities protect people and places from harm, providing the safe environment in which businesses and communities can thrive** - we will support

fire authorities in their prevention and protection work as well as their role responding to emergencies in a challenging industrial relations climate.

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.

- ***There is a fundamental and ambitious rethink to the way local services are designed and organised to achieve economic and social benefits*** – linked to our proposals for integrating the governance and finance arrangements for each place, we will work up proposals for reform of the delivery of public services across sector boundaries and identify and lobby for the changes that Whitehall now needs to make.
- ***Councils' role in the health and care system is strengthened to enable local leadership of sustainable and resilient health and care services*** - we will work with Government, NHS and other partners to help every area make best use of the Better Care Fund to promote integrated and effective services which are jointly led. We will influence the Care Bill and its implementation to ensure reforms are fully funded and well planned and continue to work with partners to support councils' new public health functions as part of the wider local health and care system. We will continue to support the role of Health and Wellbeing Boards as the key strategic leaders of the health and care system and work jointly with partners to strengthen service user and public engagement in health and care services.
- ***Councils have the flexibility and resources they need to deliver services that meet the needs of individual children and families*** – we will work to ensure that policy reforms enable councils to meet their statutory duties in a climate of increased demand. We will raise awareness to ensure councils are effective in tackling child sexual exploitation and support councils to build their capacity and achieve a confident and skilled children's workforce.
- ***Councils have a central and recognised role in the design and delivery of Universal Credit*** – we will host the Partnership Forum, secure funding for local support services and ensure the Local Support Services framework recognises the role of local government in the local commissioning and delivery of services to support employment and access to affordable housing, and monitor the wider impact of welfare reform on the services councils need and are able to deliver for their communities.
- ***Councils work effectively with partners to deliver safe communities*** – we will champion the work of councils with police and crime commissioners in tackling anti-social behaviour, crimes against vulnerable people, domestic abuse and serious and organised crime, and also lead a debate about the future of community safety partnerships as well as police and crime commissioners ahead of the next election. We will support Fire and Rescue Authorities to take forward key recommendations from the Knight Review on collaboration across blue light services.
- ***Councils lead the future direction of waste policy and set the agenda for reducing waste and increasing diversion of waste from landfill whilst reducing cost pressures*** – we will support councils to achieve increased recycling rates, pressing for investment in infrastructure to secure increased value from recycled materials and mainstreaming the reuse of products.
- ***The local government workforce is able to deliver the services required by local citizens*** - we will negotiate national agreements that are seen as fit for purpose by councils, represent their interests in reforming the Local Government Pension Scheme and continue to offer practical advice and products for their workforce challenges.

Sector-led support, improvement and innovation - our core services

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 role of the LGA is to maintain an overview of local government's performance with direct support for councils at risk, so the number of councils the Government has to intervene with is kept to a minimum. Regular meetings are held between the LGA's principal advisors and all councils, and use is made of data and intelligence to assess any risks, with support also being given to the sharing of good practice and expertise across local government.

Councils are making good use of the support we offer and a sector-led approach is proving effective in driving improvement, as well as identifying potential performance challenges and opportunities. There is much peer support activity and through this work councils are demonstrating collective responsibility for local government as a whole, networking and sharing good practice and learning from each other.

Our role is to provide and co-ordinate the necessary tools and support to enable this to happen. This includes:

- in the current spending review period, a tailored corporate **peer challenge** to every council, including a core component looking at issues of leadership, corporate capacity and financial resilience, as well as service specific peer challenges. In 2014-15 we will deliver at least 100 peer challenges.
- **leadership and managerial development programmes** which have already provided opportunities for hundreds of politicians and managers, equipping them to deal with the challenges being faced by their councils.

In 2014-15 we will provide development for at least 500 councillors with leadership roles in their councils – including those in opposition – through our newly refreshed suite of leadership programmes. These include cross-cutting programmes focusing on personal leadership development, leading innovation and change and leadership of communities and place as well as service specific programmes.

We will support at least 50 ambitious and talented councillors with the potential to progress in their political careers through our **Next Generation** programme

Our **Leading Edge** programme will give up to 50 leaders and chief executives the opportunity to work together on developing their leadership roles.

We will help councils, political groups and the national parties attract new talent through our "**Be a Councillor**" campaign.

We will provide member peer support for councils where there has been a change of political control and support in community leadership to new and existing ward councillors.

Through the **National Graduate Development Programme** we will recruit 75 high calibre graduates in to local government, working with councils to secure interesting and challenging placements, as part of a two year programme, building links with other public sector graduate programmes.

- free access to councils and also the public of transparent and **comparable performance information** through LG Inform. This online data benchmarking service enables the comparison and analysis of performance, financial and contextual information about authority areas to support the monitoring and scrutiny of performance and inform decision-making, as well as increasing councils' accountability to local voters and taxpayers. LGInform Plus will provide councils with access to small area data reports and tools, and we will give support and guidance to councils and increasing transparency to drive improvements.
- **direct support** to councils through the lead member peers and principal advisers, working to help them access appropriate support, especially councils with the most severe performance challenges. Our support will take account of the increasing financial pressure being faced by councils. We will provide bespoke support to at least 20 councils in 2014-15, aiming to ensure the Government does not need to intervene.
- through our partnership with the Centre for Public Scrutiny, direct support to councils and councillors in developing **scrutiny skills and expertise**, holding local government and other parts of the public sector to account as democratically elected representatives.
- practical support to help councils continue to develop new and innovative ways to improve **efficiency and productivity** as a major element of public service reform, focusing on adult social care, commissioning and procurement including the roll-out of the Commissioning Academy, capital and assets with support to councils through the One Public Estate programme, future ways of working and housing, waste and economic growth.

In addition to the direct support funded through RSG topslice, we will provide the following sector-led improvement programmes in specific service areas, for which additional funding is being provided by sponsor bodies:

- The Planning Advisory Service
- Towards Excellence in Adult Social Care
- The Joint Improvement Programme to transform services for people with learning disability and autism
- Support for Integration and implementation of the Better Care Fund
- The Health and Wellbeing improvement programme including system leadership support
- Work jointly with ADASS and DH as co-sponsors supporting the implementation of the Care Bill reforms
- Winterbourne view
- Community Safety
- Culture services in partnership with Arts Council England and Sport England.

Our own efficiency and effectiveness

The LGA is the national voice of local government representing every local authority and locally democratically elected representative across England and Wales.

This includes working to ensure we have:

Full membership – we will maintain membership levels amongst local authorities in England and Wales – including fire and rescue, integrated transport and national park authorities - by enhancing the benefits of membership. Having significantly reduced subscriptions over the last five years, we will maintain subscriptions at current levels, and continue to communicate on the benefits of membership directly with individual councils and all councillors.

Effective governance – we will make changes to our governance structures creating a City Regions and a People and Places Board to ensure that we fully represent the interests of our members, as well as streamlining our governance arrangements in other areas to ensure we operate efficiently.

Persuasive communications – we will work to support, promote and improve local government using the full range of communications activity, ensuring councils have a strong national voice and are well represented to central government.

Financial sustainability – we will work with our member authorities and government to ensure we secure core funding for the LGA from 2015/16 from subscriptions and RSG topslice. We will also implement proposals to develop the commercial activities of the LGA and take action to ensure that we maximise the value of our two properties.

Efficient business management - we will continue to make changes to improve the efficiency of our back office services, with the aim of achieving further savings in our overheads.

Effective people management – we will support our employees through effective performance management and development, and will place a high priority on engaging them in developing and improving our services to councils.

Accessible information – we will focus on achieving improvements for our customers and supporting them with sharing information and knowledge, as well as reductions in our own costs by continuing to invest in a coherent, affordable programme of ICT development which aligns with our overall priorities.

LGA budget 2014/15

			2014/15 £m	2013/14 £m tbc
Subscriptions			9.7	9.7
RSG England			26.0	25.5
RSG Wales			0.3	0.3
Specific grants and other ring-fenced funding			9.5	13.1
Income from direct services (conferences, seminars, sponsorship)			2.9	3.7
Rental income			1.3	1.4
Interest and other income			1.7	1.7
Total income			51.5	55.4
	Pay £m	Non-Pay £m	Total £m	Total £m
Finance and Policy	4.5	1.2	5.7	6.1
Workforce, Leadership and Productivity	5.1	4.2	9.3	9.9
Communications	1.7	1.2	2.9	4.2
Organisational governance	1.8	1.4	3.2	3.2
Grants to other organisations		1.9	1.9	2.2
Special projects		1.5	1.5	0
Total operational costs	13.1	11.5	24.6	25.6
Specific grants and other ring-fenced funding	2.1	6.7	8.8	12.4
Corporate services	1.0	0.4	1.4	1.7
Liberata shared service		5.3	5.3	5.5
Accommodation		2.9	2.9	2.6
Other running costs		1.3	1.3	1.3
Other costs	1.0	9.9	10.9	11.1
Pensions - past employees		0.9	0.9	0.9
Pensions - additional contribution		4.7	4.7	3.9
Additional pension costs		5.6	5.6	4.8
Total expenditure			49.9	53.9

Performance framework

We will review the impact of our work and our delivery against the priorities in this business plan, through robust performance management including regular reports to members on the LGA's Leadership Board. To support this, **we have developed a robust performance framework with information on the key milestones and deliverables for each area of work.**

In addition, we will review our own efficiency and effectiveness through the corporate indicators set out below:

Corporate indicator	Actual	Actual	Actual	Target 2014/15
Membership	March 2012	March 2013	March 2014	March 2015
Total membership	422	422	TBC	Maintain or increase
Councils on notice to withdraw after 1 year	9	21	TBC	Reduce
Councils on notice to withdraw after 2 years	25	0	TBC	Reduce
Our reputation		Survey Nov 2012	Survey Nov 2013	Survey Nov 2014
Member authority satisfaction		63%	TBC	TBC
Member authority informed		69%	TBC	
Member authority advocacy rating		77%	TBC	
Value for money rating		46%	TBC	
Financial sustainability	March 2012	March 2013	March 2014	March 2015
Number of employees in core posts	253	269	TBC	Maintain
Employees – externally-funded posts	38	25	TBC	Maintain or increase
Employees – total headcount (from a baseline of 450 employees in 2011)	291	294	TBC	
Debtors	March 2011	March 2013	March 2014	March 2015
0 – 2 months	79%	94%	TBC	80%
3-12 months	9%	5%	TBC	20%
13-24 months	3%	1%	TBC	0%
Over 24 months	9%	0%	TBC	0%
	100%	100%		100%

Corporate indicator	Actual	Actual	Actual	Target 2014/15
Liberata contract - customer satisfaction	Survey Nov 2011	Survey Nov 2012	Survey Jan 2014	Survey Jan 2015
HR and Payroll	78%	81%	TBC	90%
Finance and accounting	70%	76%	TBC	80%
ICT	45%	65%	TBC	80%
FM	85%	82%	TBC	90%
Print and design	89%	82%	TBC	90%
Overall	54%	61%	TBC	80%
People management	March 2012	March 2013	March 2014	March 2015
Average sick days per employee for 12 months	4.5 days (public sector average 9.6 days; local government average 10.3 days)	3.2 days	TBC	Maintain or improve
Workforce profile	March 2012	March 2013	March 2014	March 2015
BAME - proportion of employees Grade 8 and above	10.3%	15.6%	TBC	Increase % of BME employees grade 8+ in line with workforce (17%)
Employee engagement		Survey March 2012	Survey Sept 2013	Survey 2014
Job satisfaction		65%	73%	Improve by an average of 2%
Customer satisfaction		53%	64%	
Communication		59%	67%	
Learning and development		41%	76%	
Line management		65%	76%	
Management visibility		38%	57%	
Work/life balance		62%	67%	
Equality and diversity		69%	78%	
Perceptions of the LGA		51%	53%	
Carbon emissions	March 2012	March 2013	March 2014	March 2015 reduce by 6% from 2007/2008 baseline of 1,450 CO2 tonnes
	1,155	1,400	TBC	1,085