Business Case for RSG 2015/16

Purpose of report

To advise the IDeA Board about work in hand to prepare the business case for revenue support grant (RSG) in 2015/16.

Summary

This report provides an update on work taking place to prepare a business case for revenue support grant for the financial year 2015/16. It reminds the Board of the work delivered through top-slice since 2011/12 and proposes the key strategic themes for the use of top-slice in 2015/16.

Recommendations

That the IDeA Board:

1) notes the work being carried out to develop the business case for RSG in 2015/16;and
2) comments on the proposed programme themes.

Action

Officers to develop the business case and circulate to Board members over the coming weeks, prior to being submitted to CLG.

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Introduction

1. The current agreement between central government and the LGA for top-slice covers the spending period from 2011/12 through to 2014/15. In the provisional financial settlement for local government, CLG have indicated that the revenue support grant for the IDeA in 2014/15 will be £26m. This is in line with our expectations. The provisional settlement also indicates that the level of top-slice set aside for 2015/16 is £23.8m.

2. CLG has asked that we submit a business case for our funding for 2015/16. This is a process that all organisations funded by CLG have to undertake.

Business Case

3. Officers are discussing with CLG officials the information they need to be included in the business case and the deadline for submission.

4. It will include:

    4.1   A summary of how top-slice has been used to date
    4.2   The case for top-slice
    4.3   Detailed programme of delivery for 2015/16
    4.4   Financial information
    4.5   Evaluation proposals

What we have delivered

5. A key strand of our offer to date has been our support for sector-led improvement. RSG top-slice provides excellent value for money, helping councils take responsibility for their own improvement and performance, replacing the very expensive, top-down system of performance management and inspection that was estimated to cost the taxpayer £1.5 billion a year.

6. Over the last three years, councils have demonstrated they have been willing to take collective responsibility for the performance of the sector as a whole by collaborating, sharing good practice and providing robust peer challenge and support. As a consequence, with RSG funding, the sector has been able to establish and maintain a comprehensive, highly effective and extremely efficient programme of support.

7. In addition to the theme of sector led improvement; the funding has been used to support key programmes under the themes:

    7.1   productivity
    7.2   strong political and managerial leadership
    7.3   local budgets and local accountability
    7.4   strong local economies

7.5   transformed local workforce.

8.   Between April 2011 and December 2013 some of our key deliverables include:

8.1   over 300 peer challenges of various types
8.2   trained and provided development opportunities for over 2,000 councillors
8.3   supported councils to make savings in excess of £300m through our Productivity programme
8.4   recruited and trained almost 250 talented graduates for the sector
8.5   launched LG Inform a tool providing the most comprehensive set of comparable performance and finance data that is available to councils and the wider public
8.6   supported councils to grow their local economies through a range of support
8.7   continued to provide the national pay bargaining machinery for the sector as well as supporting councils addressing their workforce challenges.

The Case for Top-slice

9.   RSG top-slice enables councils to do things they would not be able to do on their own or things it would be costly for individual councils to undertake as they take steps to find further significant savings at the same time as developing new ways of working to serve the public better. It also enables us to put in place collaborative structures, systems, processes and relationships to the benefit of CLG and the sector that would have proved far more costly had they been implemented independently by the Department or councils.

10.   Top-slice also levers in additional resources from the sector. For example, by March 2014, it is estimated that more than 2,500 peer days will have been donated by councils to the Corporate Peer Challenge programme alone. This equates to millions of pounds worth of consultancy and it is delivered by respected and highly experienced councillors, officers and experts from beyond local government. Independent evaluation demonstrates that sector led improvement works.

11.   Finally, for every pound of top-slice we are able to help councils deliver savings far in excess of that figure.

2015/16 Programme

12.   We are proposing to use RSG to support councils in five broad areas of work:

12.1   Sector led improvement
12.2   Efficiency and productivity
12.3   Strong political and managerial leadership
12.4   Strong local economies
12.5   Transformation and Integration

13. Detailed proposals are now being worked up against each of these programme headings together with the other sections of the business case.

14. The Board are asked to provide comments on the proposed themes and any key activities they wish to be included.

Next steps

15. A draft of the business case will be circulated to Board members over the coming weeks, prior to being submitted to CLG. Officers are still in discussion with CLG about the exact timing of the submission. We've agreed the importance of ensuring the business case captures the evaluation of sector led improvement which is underway and is due to be brought together in February.