

2 March 2016

IDeA's Grant 2016/17 Onwards

Purpose

For discussion.

Summary

The IDeA is currently the specified body that receives revenue support grant (RSG) to provide support and services for local authorities. In the current year, the IDeA will receive a sum of £23.382m which is a reduction of over 50% in real terms from the amount provided in 2010/11. This report updates the Board on key developments since the last meeting in December.

Recommendation

The IDeA Board is asked to note the current position in seeking to secure funding for the IDeA to deliver its highly regarded improvement work for 2016/17 onwards.

Action

As directed by members.

Contact officers: Dennis Skinner
Position: Head of Improvement
Phone no: 020 7664 3017
Email: Dennis.skinner@local.gov.uk

IDeA's Grant 2016/17 Onwards

1. Background

- 1.1 The IDeA is currently the specified body that receives revenue support grant (RSG) to provide support and services for local authorities. The revenue support grant that the IDeA receives is sometimes referred to as top-slice.
- 1.2 In the current year, the IDeA will receive a sum of £23.382m which is a reduction of over 50% in real terms from the amount provided in 2010/11.
- 1.3 The IDeA Board at previous meetings have been updated on developments which included the news that Ministers had decided that they no longer wanted to go down the route of outsourcing the improvement work but wanted to work with us and that at the core should be funding to support a system of performance management with peer challenge at its heart. Members may recall officers had submitted a series of templates to DCLG officials setting out the case for funding for a series of packages of support for councils.
- 1.4 This report updates the Board on key developments since the last meeting in December.

2. Current position

- 2.1 The provisional local government finance settlement announced in December 2015 included news it was the government's intention that from 2016/17 support for improvement work would no longer be funded by a top slice from RSG but from government grant. Whilst the statement did not set out a grant figure for 2016/17 it included the following:

“The Government recognises the importance of sector-led support. We have set aside sufficient resources for sector-led support and intend to continue to make payments to the Improvement & Development Agency (IDeA). Our intention is to announce the funding to the IDeA following a negotiation and upon reaching agreement on a new deal for sector-led support for the course of this Parliament.”

- 2.2 Discussions with civil servants took place early in the new year and has resulted in a Prospectus (see **Appendix 1** attached) being submitted setting out at a high level an offer to government around the support to be provided through the grant. This Prospectus builds on the packages of support that were submitted in the summer. There have been some changes made to reflect further feedback received from councils about the support they require (not least support around making savings) as well as comments from DCLG about areas they are keen to see more reflected. On the latter they include examining the potential to develop a leadership

2 March 2016

programme for officers across government (central and local); more support to develop council's capacity to respond to the Prevent agenda.

- 2.3 It is also clear from discussions with DCLG that they are wanting to see much greater transparency between the improvement work of the LGA and the lobbying work funded through membership subscriptions. This involves a much greater detail of budgetary information around the improvement work to ensure that government grant is not funding lobbying activity but also to enable them to have confidence that the improvement work is value for money.
- 2.4 To respond to these requirements, the Prospectus includes a section on Transparency which as well as a commitment to the Transparency Code also provides DCLG a place on the IDeA Board and detailed budgetary information about our key offers.
- 2.5 Government officials have also suggested that we should seek to move towards a cost recovery model on some aspects of support to councils and in particular highlighted both the national graduate development programme and the workforce consultancy area. This is an issue where the LGA have already agreed to pursue and officers will take forward in line with the commercial strategy of the LGA.
- 2.6 The Prospectus sets out a funding request for each of the next four years as follows:
- | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------|----------|----------|----------|
| £21.996m | £20.592m | £19.188m | £17.784m |
- 2.7 This funding profile represents a further reduction of 24% and would bring the reduction since 2010/11 to almost 60% in cash terms. The efficiency savings achieved through the termination of the Liberata contract mean that we are well placed to deliver a similar level of service to councils in the next year if the government agreed to our funding request.
- 2.8 Officers and the Chairman have been using all the appropriate channels to make the case for the bid and hope to be in a position to have confirmation of the grant by the time of the meeting.