

Chief Executive's Monthly Report – February 2011

Purpose of report

For discussion.

Summary

The Chief Executive's October report sets out what we have achieved over the past month in support of the five priorities of the LG Group business plan.

- Reputation
- Innovation and value for money
- Local Democracy
- Economy
- Customer service

Recommendation

Members are invited to note the report.

Action

Group Offices and communications officers to disseminate the report and its contacts amongst our membership.

Contact officer: Laura Morris
Position: Executive Assistant to the Chief Executive
Phone no: 020 7664 3213
E-mail: laura.morris@local.gov.uk

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Summary

1. The LG Group works together to support, promote and improve local government. The Group has established a business plan which sets out five priorities for the year, against which we plan and manage our resources and our services:
 - 1.1 Reputation
 - 1.2 Innovation and value for money
 - 1.3 Local Democracy
 - 1.4 Economy
 - 1.5 Customer service
2. The monthly Chief Executive's report sets out what we have achieved each month in support of those five priorities.

Reputation

Support on key reputational issues

3. On 25 January, Michael Gove, Secretary of State for Education, attended the LG Group Children and Young People Board to discuss issues arising from the **Education White Paper** and the provisional local government finance settlement. Members offered to take the lead in setting out what the new strategic role for councils in education will look like in practice and this was welcomed by the Secretary of State. Members raised concerns about proposals for a new Education Funding Agency and asked that further consideration is given to whether the system can be simplified by transferring functions to councils.
4. In a discussion about the funding that has been topsliced from formula grant to pay for central costs in **academy schools**, the Secretary of State agreed to share the Department for Education's method and calculations. The LG Group has calculated, using the Government's own figures as set out in the Academies Bill (now Act) Impact Assessment, that this will leave council taxpayers £350m out of pocket. The LG Group is keen to develop a model that avoids additional bureaucracy or cost.

5. Publication of the **Health and Social Care Bill** on 19 January highlighted the successes of LG Group lobbying in this area, including: Health and Wellbeing Boards being put on a statutory basis with flexibility about their size and shape and additional powers; a phased approach to GP commissioning to build on existing good practice and 'test bed' new arrangements; piloting of Health and wellbeing Boards through the early implementers programme, allowing a greater understanding of the barriers and drivers for a more integrated, council-led approach to health improvement; local commissioning of maternity services and; the retention and expansion of health scrutiny powers.
6. Cllr David Rogers OBE met with Rt. Hon Stephen Dorrell MP, Chair of the **Health Select Committee**, to discuss the committee's report on NHS commissioning and possible future work with the LG Group.
7. The LG Group, on behalf of local government, has agreed to support the work of the Department of Health's **Responsibility Deal**, which encourages employers and manufacturers to help people make healthier life choices.
8. The Healthy Communities team held a round table event to explore how health professionals and local government can work together to implement the proposed **changes to health commissioning**, Joint Strategic Needs Assessments (JSNAs) and public health responsibilities.
9. Officers have continued to represent councils in weekly DfT-led officer meetings to monitor **salt stocks**, inform suppliers' delivery priorities and inform decisions about the use of the national reserve salt stocks. The improvement in the weather has reduced pressure on salt supplies, however, the monitoring and oversight process will continue until councils' stocks are up to an acceptable level and the risk of a further spell of exceptionally cold weather is over. Officers are working with councils to understand the costs caused by the cold period and to lobby for funding to deal with the damage to roads. The LG Group will also be working with senior local government officers to share good practice on winter maintenance.
10. The national media reported on the small number of councils experiencing difficulty **collecting bins** in the weeks after Christmas due to a backlog caused by icy weather. The LGA gave a robust defence of councils' performance, with Vice Chairman Richard Kemp appearing on numerous broadcast programmes, including BBC Breakfast, Sky News, Radio 4's Today and PM Programmes and Radio 2's Jeremy Vine Programme. The LGA view was also widely reported in the daily press.
11. In support of the LGA's lobbying for extra money to be given to councils to fix potholes, we achieved extensive national media coverage with a press release illustrating the scale of the problem faced by councils, and reporting the extent of the Government's cuts to **local authority**

highways maintenance budgets. This was written up in the Mirror, Mail, Express, Telegraph and Sunday Times. On the back of the press release Cllr Peter Box, Chairman of the Transport Board, appeared on Radio 4's Today Programme and You & Yours, Radio 5Live and several local radio stations to discuss the issue.

12. Nearly every part of the country will be affected by hosting the **2012 Olympic Games**. Officers represented the interests of councils at the cross-government UK Wide Operations Programme Board on 27 January, which provides national co-ordination for security and resilience issues arising from hosting the 2012 Games. Officers emphasised the need to secure effective local authority engagement with the 2012 Games following the abolition of Regional Development Agencies, which fund and support current regional 2012 Games partnerships. The LG Group has also let councils know how they can contribute towards the UK-wide Calendar of Events - a government initiative to prioritise support from the emergency services for events that are taking place around the country during the Games.
13. At the end of January, the Home Secretary announced the outcome of the government's review of counter terrorism legislation which included a look at councils' use of covert surveillance under the **Regulation of Investigatory Powers Act (RIPA)**. While councils will have to apply to Magistrates' courts for authority to carry out covert surveillance, a number of important changes have been made to the proposals following strong lobbying activity by the LG Group. The Home Office had initially considered limiting councils' use of covert surveillance to offences where the sentence exceeded two years. The Home Office has accepted our argument that serious offences should be defined, as those carrying a sentence of six months as a tighter definition would be unnecessarily restrictive, and would mean councils would only be able to use covert surveillance in rare cases. In addition to this, the Government has agreed to exceptions so as not to undermine councils' ability to conduct test-purchasing to tackle under-age sales of alcohol and tobacco
14. In January the LG Group submitted evidence to the House of Commons Bill Committee considering the **Police Reform and Social Responsibility Bill**. This focused on how the police and crime panels, which the Bill seeks to establish to hold the police commissioners to account, could be strengthened. It also looked at the objectives and practicalities of the government's proposed late night levy. All LGA amendments were tabled enabling the committee to debate them during their consideration of the Bill. Cllr Richard Kemp (Vice-Chair of the LGA and Leader of the Liberal Democrat Group) gave evidence to the Bill Committee for the Police Reform and Social Responsibility Bill.
15. On Monday 17 January, the LGA held its annual Parliamentary Reception with 60 MPs and Peers in the Attlee Suite, Portcullis House. The event was hosted by Clive Betts MP, in conjunction with the Communities and

Local Government Select Committee which he chairs, and was a key opportunity for LGA representatives to discuss the LGA's four priority Bills passing through Parliament this session.

Innovation and value for money

Funding to deliver the job

16. The LGA responded to the consultation on the provisional local government settlement, which closed on 17 January 2011. Our response pointed to several aspects of the settlement which we believe are unfair and that could be amended without undermining the overall public spending path set out in Spending Review 2010. In particular, we have called for:
 - 16.1 An increase in the amount of redistributable business rates, as we believe that the amount that is currently set to be distributed has been calculated incorrectly;
 - 16.2 Councils to be allowed the full amount of capitalisation they believe they need as the £200 million set aside in 2011-12 at present is virtually certain to be insufficient;
 - 16.3 A review of the £413 million that has been taken away from single tier and county councils to pay for the central support functions of academies as it appears grossly excessive;
 - 16.4 A reconsideration of the decisions taken on concessionary fares funding which have had the simultaneous effect of removing resources from shire districts in amounts that exceed spending on the statutory elements of the scheme and of creating new and unexpected funding shortfalls by redistributing resources between single tier authorities and county councils.
17. We have followed up on these points through dialogue with Government officials and meetings with Government Ministers including the Rt. Hon Bob Neill MP and the Rt. Hon Michael Gove MP. We have also issued press releases setting out our key points on academies funding, concessionary fares funding and capitalisation, which has resulted in coverage in the national press including coverage in The Guardian, The Telegraph, and Mirror.
18. Officers are supporting Members' lobbying in response to the proposals set out in the provisional Local Government Finance Settlement for funding **concessionary fares**. The Settlement will not result in the fair and equitable transfer in funding from District Councils to County Councils that we argued for and will leave a large number of councils out of pocket in delivering a statutory duty, with serious impact on local bus services. Officers have been collecting examples of councils who will be adversely affected by the changes to inform Members' lobbying and continue to press councils' concerns with DfT officials. We have responded to press enquires about funding for concessionary travel and

proactive media work is planned to publicise the evidence from councils on the impact on local bus services.

19. LGA officers have been engaging with DfT officials on the design of the £560m **Local Sustainable Transport Fund** which was launched along with the **Local Transport White Paper** "Creating Growth, Cutting Carbon: Making Sustainable Local Transport Happen" on 19 January. Despite our lobbying, reflecting a consensus view from local government that the funding should be allocated to councils to spend on local priorities, the department has confirmed that councils will be required to bid for funding to support small scale projects.
20. The LGA has been working closely with the legal team representing local authorities in preparation for the District Court proceedings on **Icelandic investments** by which we hope to establish that local authorities are depositors with priority status. The outcome of these proceedings will determine the final recoveries from the failed Icelandic banks, Landsbanki and Glitnir. We continue to send monthly updates to local authorities with exposure Icelandic banks on recent developments, with the last update sent out on 6 January 2011.
21. The LGA has been lobbying for central government to compensate councils for loss of income resulting from the revocation of the fee for personal searches of the **local land charges** register and any repayment of past charges that may be due. We learned this month that Ministers hope to be in a position to inform local authorities of the government's decision on a new burden payment shortly. We have written to Government officials setting out our expectation for local authorities to be fully reimbursed for loss of income this year and the costs of all successful refund claims. Because Government have refused to offer guidance to local authorities on how to handle refund claims, the LGA is also supporting the sector to seek collective legal advice on this issue.

Innovation and efficiency

22. The Local Government Group received notification that the Luxembourg Foreign Ministry will provide 300,000 Euros funding over the next 18 months to support an initiative jointly developed by the LGA European and International Unit and the LGID Peer Review Team. It will develop the capacity of the pan-African Local Government Association to develop a Peer Review service to its national association and local council membership.
23. Following the publication of the Localism Bill, LGA officers have been engaging with FRAs on the Bill's proposals to grant **general powers to Fire and Rescue Authorities** to ensure that the powers will enable the sector to develop innovative approaches to service delivery and generate new income streams. The sector is broadly happy with the

Bill's proposals, but we have raised a number of detailed concerns which are being considered by CLG officials.

24. LGA officers, working with the Chief Fire Officers Association (CFOA) have developed joint proposals for a sector-led approach to a set of functions to support **Fire and Rescue Services**. These national functions broadly involve supporting and promoting industry-wide standards and good practice (including national resilience), providing capacity to support the weaker services, clarity on future technological requirements and investment, and services which make local people safer. Following a successful meeting between the Chairman of the Fire Services Management Committee and Fire Minister, Bob Neill on 18 January, LGA officers are now working with CLG officials to negotiate arrangements for transferring these functions, and relevant funding to the sector.
25. A second online conference aimed at helping councils **improve efficiency through reducing agency staff costs** took place on 20 January 2011. 'Regaining control of the landscape by knowing our numbers' investigated the power of management information and the changing role of HR. It also gathered feedback on the development of a new temporary workers calculator, which will help councils easily calculate and compare the potential costs of temporary and permanent workers.
26. At the end of January, LGID published a quality assurance framework for **safeguarding children**. A total of 15 safeguarding children peer reviews have been delivered so far with a further 7 reviews confirmed before the end of June 2011. The second national Safeguarding Adults conference was held in January with over 120 delegates attending from a wide range of organisations.
27. The "Delivering Services Differently" practice sharing event - to support councils through **organisational transformation** - took place on 11 January 2011. The event was delivered by LG Improvement and Development in partnership with the East of England LGA and covered alternative service delivery models and new ways of working, including outsourcing, shared service arrangements and social enterprises.

Local Democracy

Strengthening local democracy

28. Cllr Gary Porter, Chair of the Environment & Housing Programme Board, gave oral evidence to the newly-formed **Localism Bill Committee** on 25 January. This was the first oral evidence session undertaken by the Committee. Cllr Porter laid out the LGA's message that many of the ideas behind the Bill are to be welcomed, but they have been bound up in red tape and complexity in the drafting, something which was not the intention of Ministers. He stressed that the real financial issues in the Bill

are the EU fines clauses and the HRA reforms which need to be looked at urgently by the Committee. Baroness Margaret Eaton also gave oral evidence to the Communities and Local Government Select Committee on behalf of the LGA for their inquiry into Localism on Monday 24 January.

29. The LGA has raised a number of issues with the Home Office about a letter sent by the Home Secretary and four other Secretaries of State in December to chairs of **community safety partnerships**. The letter acknowledged the crucial role of local partnerships in tackling crime and urged councils to continue contributing to funding **Police Community Support Officers**. The LGA responded by repeating concerns about the tough financial settlement and arguing that this is a matter for local determination. We have agreed to help the Home Office organise a workshop in the spring for councils, police authorities and the police to share ideas such as using community safety accreditation schemes.
30. From 19-22 January, the LG Group facilitated a strategic planning workshop with leaders from across **Pakistani local government** to coordinate a national campaign to restore democratically elected local government. This work is being funded by the Commonwealth Local Government Forum (CLGF) Good Practise Scheme and builds on two years of collaboration between the LGA and newly created local government associations in all four of Pakistan's provinces. In light of the logistical difficulties of meeting in either Pakistan or London at present, the workshop was hosted by the Sri Lankan LGA in Colombo and provided an opportunity for the LG Group to explore further opportunities for collaboration between UK and Sri Lankan local government.
31. The LGA carried out a capacity review and training needs analysis of the **Kosovan LGA** as part of the first phase of a DFID funded £1.4m project that will support the decentralisation of social care services in Kosovo over the next two years. The LGA is for the first time working in partnership with Coffey International, an international consultancy company with a well established reputation for delivering DFID funded programmes.
32. LGA members participated in the **UK's EU-local Summit 2011** which took place in Brussels on 25 January. The event brought together the UK's four associations of local government with EU officials, UK diplomats, and MEPs to work together to tackle the impacts of new EU laws on councils.

Economy

Regeneration and growth

33. There is increasing concern about the future arrangements for **Regional Development Agency (RDA) assets**, with little evidence of consultation with councils and an emphasis on raising receipts rather than the wider

value for money argument that rests on the importance of the asset to local regeneration. Officers have represented councils' concerns to CLG/BIS officials and exploring a way forward, in particular the scope for asset holding vehicles that protect the exchequer interest, maintain local generation and allow assets to mature in value.

34. The government's proposal to establish a **universal credit** will transform councils' role in relation to benefits. Officers have written to DWP officials to emphasise the LG Group's support for simplification and the focus on work incentives, and to raise the important concerns on behalf of our members about the risks to councils from its implementation. In particular, there is a need to achieve value for money and the best customer experience in processing and customer contact under the new model, and there is a significant financial risk to councils involved with localising council tax benefit. Officers will continue to press councils' concerns through our membership of the government's Programme Board, and political level meetings.
35. As part of its continuing package of support to councils on economic development, the LG Group has a very active on-line community of practice on **Local Enterprise Partnerships** (LEPs). It includes a range of advice and discussion papers, including 'Bidding for RGF' and 'LEPs - The Next Six months.' Further papers on private sector involvement, governance and leadership and prioritisation will follow, as well as on-line seminars and workshops.

Skills and Employment

36. The LGA partnered with the Centre for Economic and Social Inclusion to deliver a successful **Work, Benefits and Skills conference** on 19 January, attended by nearly 150 delegates from local government, local partners and employment support providers from the private and voluntary sectors. Cllr Richard Kemp gave the keynote address for the LG Group.
37. On behalf of the LG Group, NIACE is setting up a **local authority Expert Group** to provide advice to the Department for Business, Innovation and Skills on local authority perspectives and priorities for reforming the adult and community learning budget for England (Adult Safeguarding Learning - ASL). The removal of ring-fencing and move towards larger contracts for 19 plus provision will give more flexibility but put some targeted provision at risk. We are pressing government for local authorities to retain a strategic overview of local skills provision because they are best placed, working with local enterprise partnerships, to lead the provision of flexible learning opportunities that match the skills needs of local employers.
38. Following the Culture, Tourism and Sport Programme Board's decision to agree that the LG Group should become a partner to the **Race Online 2012** campaign, officers are looking at practical steps the Group can

take in promoting Race Online. These steps will include sharing current best practice amongst councils in ensuring greater online service provision and in getting more people online; identifying opportunities for closer working between Martha Lane Fox, the Government's Digital Champion, and the LG Group; and facilitating further, innovative partnerships between councils and the business sector to increase online service provision and use.

Customer Service

Customer

39. The **2011 Local Government Challenge** was launched in January with 10 new contestants from across the country meeting in Dorset to face their first challenge, hosted by Christchurch Borough and East Dorset District Councils. Following the appointment of a shared Chief Executive and management team and steps to deliver more services jointly, their challenge was to spend the day talking to members, staff, senior managers and union representatives across both councils in order to develop a plan for developing a positive shared culture across the two councils. The challenge was covered by BBC1's Politics Show as well as local radio.

Efficiency

40. The first stage of staff consultation on the integration and restructuring of the LG Group has ended, with the Strategic Management Team considering over 180 responses from staff and members, along with a number from partners. The proposals will reduce staffing across the Group by about 45% in response to reductions in RSG topslice and subscription income, and to enable us to continue to reduce subscriptions over the coming years. The consultation finishes on 4 March and the new structure is expected to be in place by the summer.

Political Group Updates

Conservative Group

41. On 21 January the Conservative Group held a successful **regional seminar** for Conservative councillors in the West Midlands. This event was attended by over 90 councillors and a wide range of presentations covered various policy areas as well as the work of the LGA corporately and the Conservative Group. Future regional seminars will take place in Cambridgeshire (February) and Devon (March).
42. A variety of meetings have taken place with **Parliamentarians** across a variety of subjects and Cllr David Shakespeare has continued to attend his weekly meetings with Eric Pickles.

Labour Group

43. As Shadow Home Secretary, Ed Balls MP met with Cllr Mehboob Khan (Kirklees), the Chair of the LGA's Safer & Stronger Communities Board, to discuss his home affairs brief and, in particular, Labour local government's ongoing position against direct **police elections**.
44. David Sparks and Mehboob met with Vernon Coaker MP and Diana Johnson MP to discuss the **Police Reform and Social Responsibility Bill**. David also met with Fiona Mactaggart MP to discuss her brief as Shadow Minister for Women and Equalities.
45. On 11 January Caroline Flint MP and the Labour Group co-hosted a summit in Portcullis House for labour council leaders and mayors, and opposition group leaders from councils we hope to recapture in May. It was attended by over 70 councillors and MPs and was addressed by both Ed Miliband MP and Andy Burnham MP. Caroline and David Sparks pledged to hold another event after the May elections, with the aim of forging a joint, forward agenda for councillors and the PLP.
46. Group officers have visited the Labour groups in Newcastle, Telford & Wrekin and East Staffordshire.
47. Group officers have also helped organise, and attended, weekend meetings of the Labour next Generation cohort, and the Opposition to Power cohort, in concert with colleagues from Local Leadership.

Liberal Democrat Group

48. The Lib Dem Group have been getting the views of Lib Dem councillors on various issues including:
 - 48.1 Asking Lib Dem council group housing spokespeople for their views on the DCLG housing white paper and fed them into the main LGA response as well as the Lib Dem local government team;
 - 48.2 Holding a phone conference with Health Minister Paul Burstow MP and lead Lib Dem social care portfolio holders on the Health and Social Care Bill.
 - 48.3 Working with Lib Dem council leaders to collate their views on the Localism Bill and passing these on to parliamentarians
49. Working with the LGA Public Affairs and policy teams we have:
 - 49.1 Gained support for LGA amendments on the Police Bill from Lib Dem MPs. We were also pleased to see that Lib Dem MPs are also tabling an amendment on the need for a referendum before police commissioners are created.
 - 49.2 Worked with the Lib Dem Health Team to get amendments tabled on the Health and Social Care Bill and Cllr David Rogers has met with them to outline the LGAs comments over the bill.

50. Richard Knowles as lead Lib Dem member for Transport met with Norman Baker MP on Thursday 27 January to discuss various issues including concessionary fares and the Sustainable Transport Fund.

Independent Group

51. We welcomed a group of Independent Councillors from Nottinghamshire to a one day **induction meeting** on the work of the LG Group. The Independent Group is planning more of these induction meetings in the future.
52. The Independent Group was represented at the CLG Select Committee reception held for the LGA on 17 January.