

Chief Executive's Monthly Report – March 2011

Purpose of report

For discussion.

Summary

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

- 1.1 Reputation
- 1.2 Innovation and value for money
- 1.3 Local Democracy
- 1.4 Economy
- 1.5 Customer service

Recommendation

Members are invited to note the report.

Action

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

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Chief Executive's Monthly Report – March 2011

Summary

1. The LG Group works together to support, promote and improve local government. The Group business plan 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. In February, following a coordinated campaign by the LGA working with local authorities, the highways industry and the national media, the government announced an additional £100 million to councils to help deal with damage to highways caused by this year's **severe weather conditions**. The LGA's response, welcoming the extra money but warning of the difficult job councils faced, was carried in the Daily Mail, The Sun and BBC Online, while LGA vice chairs Cllr Richard Kemp and Cllr David Sparks were interviewed on ITV News and Simon Mayo's Radio 2 Drivetime Show.
4. Following our submission to the Transport Select Committee inquiry into the impact of the severe weather, the LGA was invited to give oral evidence. Our submission highlighted examples of steps taken to prepare for winter, the effectiveness of the partnership between central and local government during the difficult period and on-going problems with the salt supply chain. It also made the case for additional funding to help councils to deal with the damage caused.
5. The Rt. Hon Michael Gove, Secretary of State for education, attended the meeting of the LG Group Children and Young People Board and we raised with him our deep concern at the proposal to cut £413m over the next two years from councils' formula grant to fund the central costs of

academy schools. Our calculations, using the figures that the government produced during the passage of the Academies Bill last summer, suggest that this will leave council taxpayers more than £350m out of pocket. We asked him to share with us the detailed figures on which this top slice of council grant was based and to consider the LG group's alternative approach of recouping costs on a case-by-case basis as schools become academies. We are still awaiting the detailed figures, but the Secretary of State has committed to review the calculation and method of reduction from 2013/14 onwards. We will continue to press for the figures – in particular the estimate of the number of academies that the Department is predicting to convert over the spending review period - and for a more equitable method of funding the academy programme.

6. Officers are representing councils' interests in discussions with the Arts Council as they plan to take on expanded responsibilities for libraries and museums from April 2012. We have emphasised the opportunity to build on the sector-led model provided by the **Future Libraries Programme**, the need for councils with libraries and museums to have access to a core offer and the importance of capturing existing knowledge during the transition phase.
7. **'Building capacity in culture and sport civil society organisations'** published last month examines how local authorities can respond to the opportunities created by the changing landscape and how we can build the capacity of the third sector organisations operating in the culture and sport sector.
8. Following a resolution at the meeting of the Fire Commission on 11 February that urgent measures are needed to secure the future of the **Fire Service College** it was agreed that an action group be formed. The seven-strong cross-party team will prepare an action plan that will examine how the College's business model can and should be modernised, and how its ongoing financial viability can be secured.
9. On 24 February, LGID held a workshop with colleagues from local government, fire and rescue, social housing and Investors in People to discuss how to ensure the content of the **Equality Framework** remains fit for purpose.
10. At the end of February, LGID published the **'Making safeguarding personal'** toolkit aimed at councils and their partners. The toolkit is designed to stimulate and encourage innovative responses and person-centred approaches to adult safeguarding. It covers twelve key areas, some of which are tried and tested and others - for example restorative justice - that have yet to be adapted to an adult safeguarding context. LGID also held a **national adult social care and safeguarding** conference on 14 February for 40 lead members and delivered an adult safeguarding workshop for councils and academics in partnership with SCIE and ADASS.

11. Cllr David Lines, Deputy Chair of the LG Group's Audit and Scrutiny Panel, represented the LG Group at the **Health Select Committee** as part of their extended inquiry into commissioning arrangements and the proposed local authority scrutiny role. The Healthy Communities team held the first in a series of three events for staff working in Primary Care Trusts to familiarise them with how local government operates in order to support the transition of public health responsibilities to local authorities.
12. On 8 February Cllr Mike Roberts (Member of LG Group Community Wellbeing Programme Board) and Andrew Cozens (LG Group Strategic Lead for Adult Social Care and Wellbeing) appeared before **the Health and Social Care Bill** Committee on the local government response to the Bill. Cllr Linda Thomas, Deputy Chair of the Programme Board met Diane Abbott MP, shadow Minister for Public Health as part of the LGA's lobbying on the Bill.
13. On 15 February, Cllr David Rogers (Chair of the LG Group's Community Wellbeing Board) gave evidence to the All-Party Parliamentary Group (APPG) for **Primary Care and Public Health**. This is part of the APPG's inquiry into the Public Health White Paper - 'Does the Public Health White Paper truly seize the opportunities for Better Health?'
14. 'Improving local safeguarding outcomes; developing a strategic quality assurance framework to **safeguard children**' was published at the end of February.
15. The group media team secured extensive positive national media coverage for an LG Regulation report on **locally produced food**. A press release on the trading standards survey appeared in the Daily Mail, Daily Express, Daily Telegraph, The Sun, Guardian, and Mirror and also led to LG Regulation Chairman Cllr Paul Bettison appearing on BBC Breakfast, the BBC News Channel, Sky News, ITN News and Radio 4's PM Programme.
16. Cllr Paul Bettison also appeared on BBC Breakfast and was quoted on the BBC Website explaining the work councils do to crack down on **rogue landlords**.

Being an excellent employer

17. In Spending Review statement, the Government announced its intention to increase employee pension contributions in the **public service pension schemes** (other than the Armed Forces Pension Scheme). The increases would be introduced progressively over the period 2012/13 to 2014/15. The LGA is working through the implications for local authorities, and their workforce.

18. The LG Group has produced a guide on 'social enterprise, mutual, co-operative and collective ownership models'. This guide concentrates on the main **employment issues for councils** and offers practical guidance, in responding to employee requests to deliver local services. The guide is available on LG Employers' website.

Innovation and value for money

Funding to deliver the job

19. The LGA scored a significant lobbying victory with the announcement on 7 February that the Government put an extra £28.3m into the final **local government finance settlement**. One component of this is an extra £10m for shire districts in 2011-12, in particular to deal with the pressures caused by the transfer of concessionary fares. This will not now be deducted from the 2012-13 settlement, as was first announced. A further £17.5m was added to the transition grant to take account of a slight downward revision in the qualifying threshold for change in total revenue spending power. The settlement was debated and approved by Parliament on 9 February. We provided a detailed briefing to MPs in advance of the debate, which was quoted extensively by 20.
20. The first District Court trials on claims with the failed **Icelandic banks** took place in Reykjavik on 14-17 February 2011. Stephen Jones, LG Group Director of Finance and Performance, and Nick Vickers from Kent County Council were on hand to provide support to our legal team during the hearings on the Landsbanki test cases. Local authorities have already been recognised as priority creditors by the bank's Winding Up Board, which should result in them getting the majority of their £400m deposits back. However, this status is being contested by bondholders and debt speculators whose own returns will be significantly lower if the local authorities' entitlement is allocated first. A judgment is expected around mid-April. We are also supporting our legal team to prepare for the District Court hearing on the Glitnir test cases on 11 March 2011. Good progress is also being made in the case of the two other failed banks, Heritable and KSF, where total recoveries now top 50p in the pound with further dividends expected to be paid.
21. The LGA's repeated lobbying of the Audit Commission for **reductions in audit and inspection fees** has had a successful outcome with the Commission's announcement on 25 February that it was reducing its scale audit fees by between 5 and 18 per cent in 2011-12. The Commission has also agreed, subject to affordability, to make additional rebates of up to £8.5m (a further 10 per cent) in 2011-12 and, looking further ahead, is committed to delivering significant fee reductions of up to 15 per cent in 2012/13.
22. Throughout February the media team issued rebuttals to several stories in the national press which criticised **council cuts** and suggested frontline services could be better protected if local authorities cut waste

and bureaucracy. LGA Vice Chairman Cllr Richard Kemp appeared on BBC Newsnight to discuss with Local Government Minister Grant Shapps the impact cuts would have on the front line and counter claims that councils were making unnecessary cuts. Cllr David Sparks appeared on BBC One O'clock News and ITV's News at Ten to defend the decisions and stress the severe nature of the Government budget reductions town halls are having to manage.

23. LGA Chairman Baroness Margaret Eaton appeared on the Today Programme to defend councils from negative coverage on reductions in **financial support to the third sector**. She also helped quash fears of wide-spread legal action hindering council budget setting after a High Court ruling against London Councils.

Innovation and efficiency

24. The **Future Libraries Programme** (FLP) is a sector-led libraries improvement programme, jointly delivered by the LG Group and MLA. One quarter of library authorities are participating in the first phase and, with the support of the LG Group, are ready to start sharing the emerging leading efficiency options. These include using new technology, collaboration with other library services to save costs, community management of libraries and locating libraries in other outlets. Officers are supporting this through a programme of events for members and officers, a Community of Practice and a high-level publication outlining the key findings.
25. In collaboration with DCLG, DfE and HMT, LGID designed and facilitated a **Community Budgets** evaluation workshop on 3 February 2011. The workshop began a collaborative approach to evaluating Community Budgets working across local and central government to ensure there is a shared assessment which supports further roll-out to more places and wider themes.
26. LGID published a summary guide for councils on the future role they can play in **economic development and growth**, called 'Driving economic growth', and an accompanying guide on 'Growing the low carbon economy'.
27. The LGA European team commissioned research on councils' views on **EU public procurement rules** as well as case studies on the costs of councils following EU procurement procedures. The results of this survey and ongoing discussions with councils' procurement teams will feed into the LGA's lobbying on the review of EU procurement rules, which is expected during 2011. As part of this process we have developed an LG Group wide working group to ensure local government views are taken forward by both Government and other EU decision makers.

28. The LGA successfully lobbied the EU to propose measures which, if passed, will make it mandatory for producers to cover the cost of collecting small **unwanted electrical appliances** from homes. This could stop thousands of tonnes of gadgets ending up in landfill each year, saving councils millions of pounds. An article from Environment Board Chairman Gary Porter appeared in the Times and he also gave a live interview on Radio 4's consumer affairs programme, You and Yours.

Local Democracy

Strengthening local democracy

29. In February the LG Group submitted evidence to the House of Commons Bill Committee considering the **Localism Bill**. The evidence highlighted the importance of a general power of competence in the bill which will provide local authorities with confidence and power to deliver on behalf of their communities. The LGA has been working with government, MPs and stakeholders to influence the bill as it progresses through parliament and has tabled amendments to reduce the volume of prescription and regulation across the bill and promote a localist approach and tackle key issues cited above.
30. The LG Group published **Essential Localism** as a response to the CLG guide to decentralisation and the localism bill, laying out our position on the forthcoming public sector white paper. Ministers welcomed the approach we set out. Greg Clark MP will address councillors' forum in March to discuss the localism bill and decentralisation agenda with Members further.
31. The LGA has submitted a response to the Green Paper '**Breaking the Cycle**', and will continue to engage with the Ministry of Justice as it develops its proposals. As part of this, LGA representatives took in a symposium on payment by results to discuss the challenges and opportunities for reducing re-offending. Organisations from the public, private and voluntary sectors along with think tanks and social investment pioneers were invited to give their views and hear from the ministerial team at the Ministry of Justice.
32. The **Police Reform and Social Responsibility Bill** concluded its committee stage in the House of Commons at the end of February with all the amendments the LGA was seeking laid by members of the committee. The Minister agreed to consider some of the key changes the LGA has been seeking, such as reducing the threshold for police and crime panels to exercise their veto powers from three-quarters to two-thirds. Meetings are now being arranged with peers in the House of Lords from all sides of the House to ensure that LGA amendments are tabled as the Bill goes to committee stage in the Lords.

33. The government published the **Protection from Freedoms Bill** at the end of February, which will require councils to apply to magistrates' courts for authority to use covert surveillance to investigate offences. This is in line with the LGA's lobbying for changes to councils' use of covert surveillance under the Regulation of Investigatory Powers Act (RIPA). It will introduce a statutory Code of Practice for operation of CCTV systems and create the post of Surveillance Camera Commissioner to oversee the Code. James Brokenshire MP, the Minister responsible for CCTV and RIPA, wrote to Baroness Eaton about these changes and a letter has been sent in reply highlighting some potential issues with the proposals for the Code.
34. Following a lengthy period of consultation and discussion with the sector the LG Group has published 'Taking the Lead' setting out a coherent proposition for how **sector self-regulation** should be taken forward. The proposals are based on the underlying principles that local authorities are responsible for their own performance; stronger accountability to local people drives further improvement; collective responsibility for the performance of the sector as a whole; and that the role of the Local Government Group is to provide support and assistance.
35. The LGA has responded to the consultation on the proposed **single data list**. Last Autumn the Government announced the replacement of the National Indicator Set with a single comprehensive list of all the data returns central government expects local government to provide. The LGA welcomes the ambition to create a single list of all the data Government demands of local government but argues that there has been an insufficient reduction in the burden so far. The LGA proposes the need for a more fundamental debate about the nature of accountability and what it is appropriate to report nationally and locally.
36. Responding to consultation on the **Government Department Business plans** the LGA has expressed concern that taken together with more detailed indicators (for example in proposed frameworks for adult social care, public health, etc) there is a danger of reintroducing a performance regime for local government and that the indicators should not be used to manage council performance. The lack of effective consultation and engagement with the sector also means that we have missed the opportunity to develop a shared approach to indicators and to align with those the sector itself wants to adopt.
37. LGID in partnership with CfPS published 'Tomorrow's People', a guide to involving **young people in scrutiny** for overview and scrutiny committees and 'Get the S Factor!', a briefing note for young people on how to engage in scrutiny.
38. The LGA has supported East Riding Council to develop a partnership with a municipality in Eastern Turkey as part of an EU/UNDP funded programme that promotes local democracy in Turkey and supports the process of Turkish accession to the European Union.

39. LGA Vice Chairman, Cllr Richard Kemp, signed a Letter of Intent with representatives of 8 Mexican States, the Mexican LGA and the Mexican Home Office that will lead to a UK government funded programme of experience **exchange activities between UK and Mexican local government** on sustainable development, land use planning, food risk, waste management and energy efficiency.
40. The media team response to Government plans to curb council newspapers, criticising the **publicity code** for being 'anti-localist' and 'draconian' and warning that it may lead to extra costs for councils to meet their statutory duties, achieved prominent coverage in the Guardian and trade press, and led to LGA Chairman Baroness Margaret Eaton being interviewed on the BBC News Channel.
41. A response was issued to Government proposals for councillors to vote on the awarding of **salaries in excess of £100,000**. This was quoted in several national newspapers and led to Cllr Steve Bullock, Chairman of the Workforce Board, appearing on Radio 4's Today Programme calling for central Government to show equal transparency. Following on from this story LGA Chief Executive John Ransford appeared on the BBC News Channel and ITV News to discuss senior pay in local government.

Promoting and supporting local councillors

42. LGID produced two podcasts on **Social Enterprises for councillors** – one explaining the nature of social enterprises, the other discussing how councillors can support social entrepreneurs. In addition, 212 councils have registered their interest in receiving the new Councillors Guide which will be available to all new councillors elected in the May 2011 elections.

Economy

Regeneration and growth

43. LGA officers are representing councils' interests and concerns to DWP about the introduction of **universal credit**, with the involvement of colleagues from member councils. A current focus is the case for local governance of the face-to-face delivery of universal credit, where the LGA is working closely with the District Councils Network to build the evidence base and analysis that will inform our case.
44. District councils attended a workshop on **Local Enterprise Partnerships** (LEPs) as part of their network meeting on 24 February. The discussions illustrated the wide variation in district involvement - ranging from LEPs where districts have played a role, to representation on the board, to very little involvement at all. This conclusion will inform the Group's improvement offer to councils on LEPs.

45. Officers are engaging with BIS and CLG officials on the procedures for disposing of **RDA assets** and challenging the view that disposal to councils at market value necessarily delivers the best deal for the taxpayer. This is because it treats councils as being outside the public sector, thereby shifting more of the burden of deficit reduction to council taxpayers. We have also requested a meeting with the Minister to discuss the issue.

Energy and climate

46. As part of the **Compare Renewables** project, LGID has published 24 case studies on eight new sustainable/renewable energy technologies (i.e. biomass, combined heat and power, district heating, energy from waste, solar panels, heat pumps, hydropower and wind turbines) to help councils assess whether they are appropriate for their area.

Customer Service

47. The consultation on the future of the Local Government Group closed on 4 March and the final structure and organisation will be published on 11 March. The new integrated Group, which will come into effect on 1 June, will see a reduction in staffing costs of almost 50% and will lead to a leaner, more responsive organisation, more focused on the priorities of our membership. The changes will enable the LG Group to improve the clarity, relevance and quality of its offer to the sector whilst managing reductions in RSG top slice and subscriptions income.

Communications

48. The second leg of the 2011 **Local Government Challenge** took place in Birmingham on 17 February. The 10 contestants were tasked with working with two community groups to bring two separate areas of land back into community use. Both teams developed a business plan and work programme for the respective projects, and presented their proposals to a panel including representatives from the City Council and a community group. Five Forward were declared the winners for the second time running with three challenges remaining. The next challenge is being hosted by DCLG in March.

Political Group Updates

Conservative Group

49. Staff and leading members attended the **CCA Local Government Conference** on 11 and 12 February in Warwickshire. The Conservative Group sponsored a plenary session with the Conservative CLG Ministers at which Eric Pickles and the team updated delegates on the localism agenda. We also organised two workshops on planning reform led by Greg Clark MP. Both events were extremely well attended and received positive feedback from delegates.

50. On 25 February we held a successful regional seminar for Conservative councillors in the Eastern Region at Cambridgeshire County Council. Over 50 councillors attended, with sessions including, Big Society - what does it mean for Councils?, Improving Local Government following CAA abolition, Planning for Change - How Planning is Changing under the Coalition Government, Perceptions of Local Government - What the public really thinks of us. Stephen Hammond, PPS to Eric Pickles, provided an update on the work of the CLG team and David Shakespeare spoke on LGA matters.
51. Meetings have taken place with Parliamentarians on a variety of subjects and Cllr David Shakespeare continues to attend weekly meetings with Eric Pickles.

Labour Group

52. More than 175 Labour councillors and activists made the trip to Smith Square for the third annual Local government Labour Group spring conference. Highlights included:
 - 52.1 The Leader of the Labour Party, the Rt. Hon Ed Miliband MP, gave the keynote speech, stressed the need for the Labour Party to take on the Government's myths and focus on local election victories in May. He slammed Cameron's assertion that 'we're all in this together', arguing that the opposite were true, with the most deprived areas in our country facing the biggest cuts, and with the looming cost of living crisis hitting households on lower and middle incomes, particularly those with children. He also attacked the government for its sham localism agenda, slamming it for 'passing the buck', devolving responsibility for the cuts with none of the powers that councils have long argued for;
 - 52.2 An unscheduled visit by Deputy leader of the Labour Party, the Rt. Hon Harriet Harman MP, who passed on sororal greetings from the Labour Party's International Women's Day event that was happening around the corner in Westminster;
 - 52.3 A local government Q&A session with panellists Cllr Sharon Taylor (Stevenage), Cllr Nick Forbes (Newcastle), Emily Thornberry MP and Jack Dromey MP;
 - 52.4 Breakout sessions organised with Progress and COMPASS, with speakers including Cllr Claire Kober (Haringey), Cllr Ian Greenwood (Bradford), Cllr Paul Brant (Liverpool) Cllr Steve reed (Lambeth), Cllr Simon Blackburn (Blackpool) and Heather Wakefield (UNISON);
 - 52.5 At lunchtime, the conference was marched upon by the National Show Stewards Network Anti-Cuts Campaign, which organised a demonstration in Smith Square addressed by, amongst others, socialist councillor Dave Nellist from Coventry. Cllr Nellist then delivered a petition to David Sparks asking Labour local

government to 'revive the spirit of resistance of Polar, Clay Cross, Lambeth and Liverpool [in refusing] to pass on the cuts;'

- 52.6 The conference was wrapped up by a speech from the Shadow Secretary of State for Communities & Local Government, the Rt. Hon Caroline Flint MP. Caroline continued Ed Miliband's attack on Eric Pickles' systematic slurring of Labour councils – attacking us whilst wilfully ignoring larger cuts made by Tory authorities. She also stressed the need for Labour councils to keep on listening to their communities and not be afraid to ask them to help make choices – whilst reminding our communities that Labour will always be their voice in tough times. We will be your community's first line of defence.

Liberal Democrat Group

53. We have been getting views from leading councillors and lobbying MPs over the Local Government Finance Settlement, their council budgets and the Localism Bill. Richard Kemp as Group Leader has been hard at work pressing the case for local government as budgets are set around the country. This included a letter to the Times on Feb 10th from 92 Liberal Democrat council group leaders expressing concern over the front loading of cuts to central government grant which gained a lot of media attention and was the lead story in many news bulletins.
54. The Lib Dem Group has held a successful residential conference on children and young peoples services with portfolio holders from around the country with Sarah Teather, Children's Minister and Simon Hughes MP.
55. The Group hosted a key reception for Liberal Democrat Council Leaders at the start of February - the feedback was very much that it was felt to be worthwhile and a successful evening.

Independent Group

56. The Independent Group conference takes place in York on 9 March on the theme of *Big Society / Local Choice - are we all in it together?*
57. The inaugural joint East and West Midlands regional meeting was held on Friday 24 February with themes ranging from prospects in the May local elections, Code of Conduct for members in the future and boosting the profile of the Women's Local Government Society.
58. Independent Group Lead members are continuing a round of visits to Independent Group colleagues on individual authorities to test their reaction, and receive views on the way forward for local government and the LG Group.