

## **Chief Executive's Monthly Report – May 2011**

### **Purpose of report**

For discussion

### **Summary**

This report highlights the LG Group's main achievements on behalf of local authorities during May and reports against the priorities of the LG Group Programme Boards and cross-cutting priorities.

### **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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### **Summary**

1. This report highlights the LG Group's main achievements on behalf of local authorities during May and reports against the priorities of the LG Group Programme Boards and cross-cutting priorities.

### **Children and Young People**

2. Following the Schools White Paper last autumn, DfE is consulting on **school funding reforms**. LG Group responded to an initial consultation document on the rationale and principles for school funding reform on 25 May. The response acknowledges that the current funding system contains anomalies but considers that these would be best addressed by a new funding formula for authorities, who will then carry on distributing funding, in agreement with schools forum through local formulae. A more detailed consultation is expected before the summer recess.
3. The **Education Bill** completed its passage through the House of Commons on 11 May 2011. The Report Stage was dominated by a small number of issues and while a number of divisions took place on proposed changes to the Bill, the Bill remains largely unchanged from its original drafting. Changes made included how the Bill applies in Wales and the independent financing of pupil referral units. The Bill will have its second reading on the House of Lords on 14 June 2011.

### **Community Wellbeing**

4. Activity over the past month has been focused on furthering our lobbying and influencing activity on the Health and Social Care Bill. On 10 May, we held a briefing session for Peers from all parties on the LG Group's key messages on the health reforms. A number of Peers expressed interest in working with us on amendments to the legislation to increase the influence and leverage of Health and Wellbeing Boards when the Bill reaches the Lords.
5. On 26 May the Chairman wrote to the Primary and the Secretary of State for Health outlining the LG Group's proposed changes to the Health and Social Care Bill to ensure that it gives a leading role and local freedom to local authorities to driving forward plans and strategies to improve health outcomes.
6. On May 19 Health Minister, Paul Burstow, addressed a session of the Councillors' Forum to discuss the Health and Social Care Bill. Around 90 councillors took part in a lively discussion on the Bill.

7. Members raised a number of issues including:
  - 7.1 The importance of addressing children's health and wellbeing;
  - 7.2 The need to recognise the innovative partnership working already being led by local authorities;
  - 7.3 The danger that existing integrated arrangements are being undermined by transitional arrangements that draw resources away from local partnerships into sub-regional PCT clusters;
  - 7.4 The need for NHS commissioners to have a better understanding of the contribution that local authorities make to addressing the wider determinants of health and, in particular, the essential community leadership role of councillors;
  - 7.5 The need for Health and Wellbeing Boards to have power and influence over GP commissioners in order to ensure local accountability.
8. On 2 June Cllr Richard Kemp chaired the second meeting of a high-level public health stakeholder group to discuss the scope for joint working to influence the **public health reforms**. Senior representatives of the British Medical Association, the Association of Directors of Public Health, the Royal Society of Public Health, the Royal College of Nursing, the NHS Confederation, the Chartered Institute of Environmental Health and the Royal College of Midwives met senior LG Group Members and agreed a forward plan of influencing activity.
9. On 7 June Cllr David Rogers gave evidence to the House of Commons Health Select Committee inquiry into **Public Health**. He clearly argued the case for local authorities to have a leading role in the planning and commissioning of health improvement services. The Health Select Committee report will be published in July.
10. In anticipation of the **Southern Cross** issue escalating in the press, the LG Group media team worked closely with media colleagues at ADASS to ensure a re-assuring message along with detailed background briefings were prepared and consistently sent out to temper alarmist reports across newspapers, radio and television. The LG Group was rightly reported as being at the heart of the issue, helping to manage the situation and ensuring with member councils that contingency plans were in place to protect older and vulnerable people in any eventuality.
11. A letter from the LG Group, jointly signed by nine other organisations linked to **adult social care**, which called on David Cameron, Nick Clegg and Ed Miliband to act on the upcoming Dilnot Commission received widespread coverage, making the front page of the Times and Telegraph, inside pages of the Mail and Express, Sky News bulletins and BBC Radio 4's Today Programme and World Tonight. Cllr David Rogers, Chairman of the LGA's Community Wellbeing Board, was quoted in the Telegraph online.

## **Culture, Tourism and Sport**

12. On 18 May LOCOG announced the dates and locations for the 74 evening celebration events on the London **2012 Olympic Torch Relay route**, with many other locations to be confirmed by the end of the year. The LG Group is urging LOCOG to make the rest of the route public as soon as possible in order to maximise planning time. Officers have also emphasised the importance of being clear in communications and press activity that many other stops are still to be announced.

## **Environment and Housing**

13. The LG Group, alongside the Campaign to Protect Rural England (CPRE) and Keep Britain Tidy, is continuing to press for a change to the existing law to enable councils to use existing powers to tackle **litter thrown from vehicles**. Councils have been calling for this change for some time and the proposal has gained widespread positive media coverage, with Cllr Clyde Loakes doing a number of high-profile interviews on the subject. An LG Group-drafted amendment to the Localism Bill was tabled in the Commons and we are looking to re-table it in the Lords. Currently councils' fixed penalty notice powers are completely ineffective when it comes to littering from vehicles and do not act as a deterrent to help reduce councils' £860 million street cleansing bill. We are asking for a small change to the law to ensure the owner of a vehicle from which litter is thrown is responsible in the first instance – a precedent for which is set by the speeding, seat belt and fly-tipping laws – unless they did not throw the litter, in which case they can nominate the person who did.
14. The LG Group was quoted in several national newspapers responding to reports that the Government may announce extra money for councils to re-introduce **weekly bin collections**. A statement which ran in the Mail, Express and Sun pointed out that there is no one-size-fits-all solution and that this should be a decision for individual councils to make.

## **Workforce**

15. The proposed transfer of some **public health** functions from the NHS to local government brings with it a number of workforce issues, in particular agreeing how staff will move to local government. LG Group has set up a working group of a number of chief executives, HR professionals and regional representatives to develop a national framework to discuss the complex issues involved in this. The Workforce team is also part of a national working party with the NHS to produce a "concordat" to establish key principles for the forthcoming changes.

## **Improvement**

16. A number of councils are contributing to the **DCLG Consultation on the future of local public audit** and the development of the LG Group response. Officers have organised a workshop on 22 June to develop the detailed response in the light of members' views expressed at the last meeting of the Improvement Board
17. The pace and impetus of **Community Budgets** has accelerated and the LG Group, working jointly with DCLG has recently conducted a stocktake of progress. The emerging messages are that places have strongly welcomed the

opportunity and believe that community budgets offer a framework for transforming services, making cashable savings across the public sector and delivering better services for vulnerable families. The high level officials group, chaired by Lord Bichard met recently to discuss the stocktake, evolving radical approaches to the development of community budgets; and Professor Munro's review into frontline child protection practice.

18. The LG Group's innovation programme, **Creative Councils**, partnered by the National Endowment for Science Technology and the Arts (NESTA), has extended the deadline to 20 June 2011 for councils to submit ideas for addressing some of the biggest medium and long-term challenges facing communities and local services. In July, twenty of the ideas will be selected to establish the potential for the ideas to spread to other councils.
19. In response to a DCLG consultation on a code of practice for local authorities on **data transparency**, we have urged the Government to think again. Many of our member councils are worried about the resource implications of more piecemeal legislation. While supporting the general presumption in favour of transparency and openness, we argue that it is inconsistent and wrong to create legal codes for open data that are more prescriptive and detailed for local government than those required for public services more widely. Citizens should be able to expect an equal measure of transparency in the activities of Whitehall and in other local public services. Rather than more red tape and central control we want to see a collaborative approach with government that addresses the confusion and determines how we can help councils and others through practical help.

### **Economy and Transport**

20. Officers held various meetings with DWP officials in the run up to the department's announcement on the future delivery arrangements for **universal credit**. In particular, we have made the case for locally commissioned delivery of face-to-face support for universal credit customers. DWP have confirmed that this is an option for the post 2017 arrangements. The next stage will be to pilot innovative local models during the transition period 2013-17. Officers are now working with colleagues in local government and DWP on the plans for migrating clients from the existing benefits to universal credit.
21. In order to help **Local Enterprise Partnerships** get established in their sub-regions the LG Group has shared learning about the progress made and challenges faced by three LEPs: Black Country, New Anglia and Cumbria.
22. Officers have met with Post Office Limited and BIS to discuss the extension of the pilot work on **post office modernisation** to 3 other areas in England. We have pressed them to extend the pilot activity quickly and update local government more generally on its plans for involving communities and local government more widely in post office modernisation.
23. The LG Group secured positive national newspaper coverage for innovative work being done by member councils to improve and modernise **libraries**. A story placed in the Independent on Sunday by the media team included

examples of libraries opening in shops, councils offering e-books and authorities improving value for money through back-office mergers.

24. Officers have supported Members' to achieve a major lobbying success on **bus service reform**. Officers submitted a response to the Competition Commission's inquiry on bus services agreeing with the report's finding, which vindicated the LGA's position, that there is limited competition in local bus markets and that this is having a detrimental effect on bus passengers and taxpayers. The submission reflects the LGA's positions on councils' role in promoting competition and improving services through greater use of franchising and reform of the bus subsidy system. Officers are also pursuing options for reform with officials at the Department for Transport.
25. The McNulty value for money study on rail reflects the LGA's long-held policy position that local authorities and / or Passenger Transport Executive's should have a stronger role in the franchising process. LG Group officers are working with the Office of Rail Regulation to facilitate input from local government into the ORR's periodic review process which will set the outcomes for the rail industry up until 2019 and provides the opportunity to take forward proposals on how greater involvement of local government can be strengthened to improve accountability and integration with **local transport investment**. As a first step, officers are organising a joint event with the ORR to provide the opportunity for interested councils to input views on rail reform.
26. Support and leadership for the UK's archive sector will transfer to The National Archives (TNA) from April 2012 following the closure of the Museums, Libraries and Archives Council (MLA). Over 130 local authorities provide archive services and the LG Group has established a joint working group with TNA to ensure that councils' have a strong voice in the transfer. On behalf of councils we will make the case for any national resource to **support local archives** to be organised in a way that supports sector-led improvement and maximises front line impact.
27. Responding to figures from the Traffic Penalty Tribunal showing an increase in the number of **parking fines issued by councils**, LGA Transport Board Chairman Cllr Peter Box was quoted in the Daily Telegraph defending the record of councils by pointing out that fewer than one in 200 tickets resulted in an appeal.

### **Safer and Stronger Communities**

28. Officers have been providing support to a cross party working group tasked by the Fire Commission to explore options and proposals for how the **Fire Service College** could meet the needs of the sector and operate on a sustainable financial basis. The group has consulted a wide range of stakeholders including the Chief Fire Officers Association, the Fire Service College team and the private sector. An open day for elected members and officers was also held at the college on 18 May. The group will report its findings and recommendations to the Fire Commission on 17 June.
29. Meetings continued to be held with government and opposition Peers as the **Police Reform and Social Responsibility Bill** entered committee stage in the

House of Lords. The alternative model the LG Group developed last summer for improving police accountability informed the new police commission model the House of Lords inserted into the Bill at the end of the first day of the committee stage. The police commission would be made up of a police and crime panel and a police and crime commissioner, with the commissioner appointed from amongst its members. The commissioner would still be responsible for holding the chief constable to account and the panel for scrutinising the commissioner. The Group has therefore continued to arrange for amendments to be tabled strengthening the role of the panel on the basis that the government will reintroduce a directly elected police and crime commissioner when the Bill returns to the House of Commons.

30. LG Group officers have started to participate in several of the transition projects the Home Office has established to look at the **transition from police authorities to police and crime commissioners**. The main projects in which the LG Group is involved are those looking at the checks and balances on police and crime commissioners, and capacity building and induction of police and crime commissioners. The project group on checks and balances will be looking at the issues around establishing police and crime panels as well as the links between the panels and for example crime and disorder overview and scrutiny committees, while the capacity building group will look at what improvement support will be needed by commissioners and their staff.
31. The Group submitted responses to the Home Office consultations on new tools and powers for anti-social behaviour and the new statutory code for CCTV. The Group welcomed the simplification of the range of tools available for dealing with **anti-social behaviour** but expressed concern that the crime prevention injunction which is due to replace anti-social behaviour orders will not be as effective because a power of arrest that would allow the police to arrest offenders who breach the orders will not be routinely attached. On the new **statutory code for CCTV** the Group made the point that a unified code bringing together guidance not only from the new Surveillance Camera Commissioner, but also the Information Commissioner would be useful.
32. To coincide with the Government's pledge to enshrine a **Military Covenant** in law, the LG Group media team put out a press release highlighting examples of support member councils are already providing to veterans and armed forces personnel, including prioritising them for social housing. This was mentioned in the Daily Telegraph's front page story about the Military Covenant, reducing the potential of negative publicity for councils.

### **European and International**

33. The EU programmes are worth over £10bn to the UK for 2007-13 and are under review for 2014-2020. The LG Group has set up a working group with relevant Government departments to represent councils' interests and to consider how these funds might be administered in a more joined-up and locally responsive way in the future.
34. In Brussels, the LG Group has worked closely with the **European Parliament** ahead of key votes on the future of European funds, drafting and supporting specific amendments. MEPs largely voted in our favour, for instance calling for

the better engagement of local authorities in the design and delivery of future programmes, and referring to the significance of spending EU funds as part of a wider integrated development plan for places. European Commission proposals on the future of the funds are expected in the autumn 2011, the LG Group recently produced a brief on developments for member authorities.

### **Local Government Finance**

35. Work to improve the options available to councils for short term cash investment, initiated by the LGA after the **Icelandic bank crisis**, came to fruition on 25 May with the launch by CCLA Investment Management of the new Public Sector Deposit Fund. The new fund, designed with the LGA's assistance, offers a unique solution as a UK domiciled, FSA regulated money market fund, wholly aligned with the principles and values of the public sector. It has been welcomed by a number of member authorities, with positive statements made at the launch of the fund by Cllr Ian Carr, leader of Test Valley Borough Council, Robert Hughes-Penney, Chairman of the Investment Committee of the City of London Corporation and Cllr Richard Kemp at Liverpool City Council.
36. Following the success in litigation in the Icelandic District Court to confirm priority status for local authorities' deposits in the failed **Icelandic banks**, a lot of work has been completed in preparation for the appeals to the Icelandic Supreme Court which will be heard over the next few months. Alongside that, officers agreed the basis of accounting adjustments required for this year's local authority accounts with CIPFA and began work on the best way to ensure that cash distributions from the Icelandic insolvencies, which will be made in a range of currencies including the Icelandic krona, can be converted into sterling receipts in the most advantageous manner possible.
37. The LG Group has received almost 90 responses to its consultation paper on the **Local Government Resource Review**, an excellent response rate given that authorities had a short timescale within which to respond. Responses have come from a good mix of councils from across the country, as well as individual elected members and officers. The finance team is currently analysing the responses and will publish a summary in due course. We have also been meeting regularly with individual councils, treasurers' societies and external stakeholders to get a range of views on how localisation of business rates might work and the key issues that would need to be resolved. A report on all these matters is being made to this month's LG Group Executive.
38. We have been lobbying the Department for Work and Pensions on the delivery arrangements for the new **Universal Credit**, making the case that local authorities should be able to build on their experiences of customer contact. We are in discussion with DWP about pilots for local commissioning. DWP will publish a detailed transition plan in the autumn. We have been making the point that any costs of transition which fall on local authorities, for example, decommissioning current systems for housing benefit, should be fully met by the Government.
39. The media team arranged for LGA Vice Chairman Cllr Richard Kemp to appear on BBC2's Daily Politics show to explain why budget cuts meant some councils



had little option but to raise charges for non-statutory services. Cllr Kemp also appeared on Radio 5Live and several local radio stations to defend councils from criticism by local government ministers over the **use of payment cards**.

40. Following a story circulated by the Department for Communities and local government advising councils on how to tackle benefit fraud, LGA Chairman Baroness Margaret Eaton was quoted in the Daily Express and Telegraph emphasising the importance local authorities attached to clamping down on **benefit cheats**.

## **Decentralisation and Localism**

41. In its response to the Department for Communities and local government's **statutory duties consultation**, the LG Group concluded it is right that statutory duties apply to the provision of residents' core needs and ensure the protection of vulnerable people. However, in our response we called for the elimination of statutory guidance notes, which describe in minute detail exactly how local authorities should go about fulfilling their duties and sought the removal of out-of-date duties and elimination of ministerial consent for minor activities. We estimated that stripping back policy work in those departments that do business most often with local authorities by 20 per cent would produce a saving of up to £1.5 billion each year. Our response identified around 50 duties that are unnecessary, inappropriate and costly and could be removed immediately and called for an immediate review of many more duties to ensure they are fit for purpose.
42. The LG Group responded to **CLG consultation on the Community Right to Challenge and Community Right to Buy**. In our consultation responses we highlighted that these policies have become over run with centrally set process. The Group called for a localist approach which would provide discretion for local areas to determine how this policy could most appropriately be implemented in the locality. This could be achieved by requiring local authorities to determine and publish a framework to implement this policy locally which could include many of the areas listed in this consultation for inclusion in secondary legislation including timescales, process and information requirements. This would remove the need for vast swathes of regulations and would allow local authorities to innovate and work closely together. It would also remove the costs and risks associated with over engineered policy making to ensure a locally appropriate and owned model.
43. The **Big Society Task group** is a cross party political group chaired by Cllr Colin Barrow, Leader of London Borough of Westminster. The task group have identified councils and areas of work they have been leading on for the last few years defined under the Big Society banner. This is with the view to look for evidence of the key learning outcomes, the barriers and issues that have faced councils to present a case for support to government in removing these barriers to support progress and implementation of the Big Society principles on the ground. This work has been compiled into a publication which will be launched at the LG group annual conference at the end of June.

44. The LG Group is continuing its work to develop and strengthen the relationship between local authorities and the **Voluntary and Community Sector** to deliver responsive, efficient and innovative local services. The LG Group has led a highly effective and respected programme of work to strengthen third sector commissioning and partnership, which we are committed to continuing within the new structure. Councillors have a key community leadership role to play in delivering Localism and the Big Society and it is vital that they are able to do this in the context of a strong mixed economy of local provision. Colleagues are in discussion with national voluntary and community sector organisations and colleagues the Office for Civil Society to agree how best to take this work forward.
45. Following support and discussions between the Chairman of the Improvement Board, council leaders from the 16 places and the LG Group, a renewed commitment has been agreed for **Community Budgets**. Baroness Hanham is providing day-to-day political leadership. Baroness Hanham's group with council leaders has met and positively identified four areas where work is needed: the link between community budgets and payment by results commissioning; data-sharing; governance taking account of police and health reforms; and simplified assessment procedures. Places are leading the development of this work with support from LG Group officers and DfE and CLG officials. DWP's £200m ESF provision focuses on families with multiple problems. LG Group and Community Budget places have been working hard to influence the Department's policy and engagement with local areas around this provision. At political level, we have asked DWP to develop its proposal further around how the Minister would look to undertake his offer to Community Budget leaders to 'virtually pool' ESF in these areas.
46. The LGA held two briefing sessions on the **Localism Bill** for members of the House of Lords, kindly hosted by LGA President Lord Best. The first briefing session took place on Monday 16th May and focused on the Local Democracy sections of the Bill. The second session took place on Wednesday 18th May focusing on the Housing and Planning sections.
47. The LGA's final **Smith Square debate** of the Spring series took place on 11<sup>th</sup> May "**All's well that ends well: the future of public services**". Speakers included Bernard Jenkin MP (Conservative, Chair of Public Administration Select committee), Caroline Flint MP (Labour, Shadow Secretary of State for Communities and Local Government), Cllr Richard Kemp (Liberal Democrat, LGA Vice-Chairman), and the event was chaired by Ben Page (Chief Executive, Ipsos Mori).

## **LG Group Business**

48. The fifth and final challenge of the **Local Government Challenge** was jointly hosted by Kent and Essex County Councils on 10 May. Contestants were asked to develop a creative proposition to market the Kent and Essex Thames Gateway over the two week period of the 2012 Olympic Games and to propose linked opportunities for income generation. At the end of the challenge the final four contestants were selected to progress to the final stages of the competition to be held at LG Group Annual conference later this month.

49. Marketing colleagues have been focusing on promoting the LG Group's annual conference and also preparing a range of materials including the Guide to services, an online offer leaflet, showreel and corporate messages for the stand, in order to promote the group at the conference.

## **Political Group updates**

### **Conservative Group**

50. A large number of candidates have put their names forward for the various positions that are up for election, including the Conservative Group's nomination for LGA Chairman and group leader and deputy group leader.
51. Ballot papers have now been sent out to Conservative Group leaders and the results will be officially announced at the AGM on Tuesday 28 June prior to the General Assembly meeting that afternoon.
52. Preparations for the conference are now well advanced, including the various group meetings and social activities. Nomination forms will shortly be sent out for appointments to LGA Boards and Panels for 2011-2012.

### **Liberal Democrat Group**

53. The office has been making preparations for this year's group elections. Due to some changes to the Liberal Democrat Group structure, nominations will open after General Assembly on 28 June. Ballot papers will be sent to every Liberal Democrat councillor (in an LGA member authority) on 22 July with results being announced on 19 August and positions taking effect on 1 September.
54. The Liberal Democrat Group have been preparing for their Local Government Conference (to be held in Bristol), developing a programme that includes speeches from Ministers and consultative sessions on the key policy issues facing local government.
55. The office has held ongoing meetings with Ministers, MPs and peers on the Police and Health reform bills. They have also been working with the Liberal Democrat education parliamentary team to help push for a local authority place on the governing board of every school. This will now be included in the Education Bill.

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