

Item 8

Revenue Support Grant

Purpose of report

For information.

Summary

This report updates members on recent and future changes to Revenue Support Grant top-slice that will affect the Local Government Group.

Recommendation

The Board is asked to note the report.

Action

Subject to members' comments, officers to take forward any appropriate action.

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Revenue Support Grant and Programme Boards' improvement role

Background

1. The LG Group has reached agreement with CLG for restrictions on the use of Revenue Support Grant (RSG) top-slice money by the Local Government Group (LGG) to be relaxed. This money funds, amongst other things, improvement activity. The Group can now allocate funding flexibly and decide on the best way of delivering its services. In return we are bidding for RSG top-slice of £31.5m - a 30% reduction. CLG is currently consulting councils on these proposals.

Summary of RSG Submission

2. Over the summer, work has been underway across the LG Group on the RSG top slice bid, building on a consultation exercise with councils carried out in the Spring by Rob Whiteman, Managing Director of Local Government Improvement and Development, and further discussions with councils at the LG Group conference.
3. The priorities suggested by this consultation are:
 - improve **local productivity**; identifying the key productivity gains for local government and making sure councils deliver these savings quickly;
 - radically transform the way services are organised to deliver the services people want in a joined up way through **local budgets and accountability**;
 - support councils in working closely with businesses and local people to create **strong local economies**;
 - improve the skills of councillors so they play a full role in helping local people build stronger civil society through strong **local political leadership**;
 - ensure an affordable and flexible pay, reward and conditions system for the whole of local government in order to deliver a **transformed local workforce** that is flexible and productive;
 - monitor and assess **local performance and value for money** to provide assurance to local people on the effectiveness of local services.
4. These will be signed off by the LG Group Executive on 16 September, where **Programme Board Chairs will have the opportunity to feed back**, and by the Group Resources Panel the following week.
5. As well as forming the basis of the submission to CLG, these priorities will be central to the LG Group's strategy and business plan for 2011/12, which will be discussed further with members over the autumn.

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Performance, Improvement and Assessment

6. **The Board has already taken a close interest in the performance and improvement of culture, tourism and sport services.** The new terms of reference (see item 6) give the Culture, Tourism and Sport Programme Board oversight of all the related activity across the LG Group. A large part of this work consists of support programmes that help councils improve and develop their services, many of which are funded from top-slice.
7. The LG Group has made an **offer to government to help develop a new approach to public services** by streamlining the state, cutting public spending and devolving power to local people. These all have implications for the way local councils and partnerships assess and improve their performance.
8. As well as the work endorsed and lead by the LGA Executive on **Place-based budgets**, key aspects of the Group offer also include:
 - **A Place-based Productivity Programme:** Work has begun with partners to take forward a programme that will support councils to develop their own ways to improve productivity according to local circumstances. The aim is to identify practical ways that Councils can achieve savings this year and consider options for longer term transformational change. The Chairman of the Improvement Board wrote to all Council Leaders on 2 July to highlight the importance of this programme.
 - **Place-based self regulation and improvement:** The LG Group has also offered a new approach to self regulation and improvement designed to provide appropriate level of assurance to citizens and Government and as a result enable Government to cut back on inspection and assessment. Key elements of this approach involve:
 - i. Stronger accountability to the public through greater transparency;
 - ii. Self awareness. Councils and local partners will develop stronger arrangements at local level for monitoring and assessing their own performance through regular self evaluation and peer challenge;
 - iii. Providing early warning of the risk of failure. The LG Group and its performance partners will work with the inspection and regulatory bodies to draw on data to provide “early warning” of potential major financial, governance or performance failure;
 - iv. statutory financial audit to continue – addressing financial resilience, value for money, probity and the reliability of local data.
9. The Board may wish to consider at a future meeting what these programmes might mean and look like in relation to culture, tourism and sport services.