

Priorities 2013/14

Purpose of report

For discussion and direction.

Summary

The paper at **Appendix A**, which has been agreed by the LGA's Leadership Board, provides a high level steer on the LGA's priorities for 2013-14.

The LGA Boards are now being asked to develop proposals for next year to inform the more detailed business plan and budget which will be presented to Leadership Board in January and signed off the LGA Executive in March.

Recommendation

In view of the LGA's top priorities for next year, Members are invited to discuss:

- What should we be focusing on and trying to achieve for maximum impact on behalf of our members?
- What have we found out about what works and what does not work over the last year? What should we be doing more of? What should we be stopping or doing less of?

Action

Officers to feedback the conclusions of the Board's discussion to the Leadership Board to inform the final business plan.

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Priorities 2013/14

Background

1. The Board received a report on 2012/13 priorities at its September meeting. Members were broadly content with the suggested focus, and the forward plan for the remainder of the year. This report suggests high level priorities for the Board's work for 2013/14.
2. As the paper at **Appendix A** explains, the Leadership Board have streamlined the LGA's six priorities to three, recognising that the priorities we agreed for the current year – **economic growth, funding for local government** and **public sector reform** - are still relevant as we move into the next financial year. The paper makes clear the links between these different themes to help us work in a cross-cutting way for maximum impact. It also describes the core services which support councils with **sector-led improvement** and which are at the heart of all our work.
3. Against this context, Board members are now being invited to give an initial steer about culture, tourism and sport priorities for next year which will inform the more detailed business plan and budget which will be signed off by the LGA Executive in March.

Culture, Tourism and Sport Board Priorities

4. We have taken this year's plan as a starting point for developing a coherent programme of activity for next year, and adopted a working assumption that resource allocations will remain broadly as this year, although there will be room for negotiation on this. Most of the ongoing work fits squarely within the priorities of economic growth, jobs and prosperity; public sector reform and sector-led improvement.
5. The analysis presented in this paper suggests the following headline CTS priorities for 2013/14 are fed into the business planning process:
 - 5.1 Supporting councils to **maximise the economic impact** of their investment in the visitor economy, superfast broadband, Olympic and Paralympic legacy and culture; and
 - 5.2 Arguing for the removal of barriers that get in the way of this ambition, and ensuring that the **combined public subsidy for culture goes further**, is channelled towards the biggest issues councils face, and is delivered more efficiently.
6. Inevitably the sector will also look to the Board for leadership on a number of significant topical issues over the year.

Policy Context

7. Libraries, leisure centres and heritage attractions are some of the most highest valued and used of all council services. Outside London, local government is the biggest public spender on culture, tourism and sport; currently spending around £3 billion every year. However, the LGA's Funding Outlook for councils clearly shows that this level of investment is unsustainable. The biggest challenge will continue to be finding new ways of working that will enable councils to continue leading high-quality culture, tourism and sport services. Councils are delivering less direct, commissioning more and increasingly setting up trusts and other delivery arrangements to manage culture and sport in a more efficient way.
8. In this environment the ability of culture, tourism and sport to position itself as vital to overall political priorities, such as economic growth and health, is crucial. Where local investment is holding up in the face of budget pressures this is because councillors have been persuaded by culture's role in promoting the local economy. This suggests an important role for the Board supporting councillors to maximise the economic impact of their investment and positioning culture, tourism and sport in the LGA's growth narrative as we head into the next spending round.
9. With a new Secretary of State for culture, building a stronger partnership between local and central government over the coming year will be vital. Councils lead and fund the majority of services that are crucial in enabling the Department for Culture, Media and Sport (DCMS) to achieve its priorities, so there is an opportunity to position our sector as central to the DCMS narrative and to persuade the Secretary of State of the opportunity to protect and encourage culture and sport by working together with councils to maximise their contribution to growth.
10. Central government functions in relation to culture are also exercised through a series of quangos including Arts Council England (ACE), VisitEngland, English Heritage, and The National Archives. Our major strategic dialogue with national quangos is about how national investment can best support sector-led improvement locally, so that the combined public subsidy for culture goes further and is delivered more efficiently.
11. Of particular importance for next year will be the changing relationship between ACE and local government as a new Arts Council chair takes up post in February 2013 and a streamlined structure takes effect from July 2013. Even with budget pressures councils and ACE are, together, this country's biggest public investors in the arts, libraries and museums. The Board has already reinforced to ACE how important it is that its priorities and ways of working should reflect this fact. Members have recently agreed a statement of purpose with ACE that commits us to supporting national and local collaboration and helping councils to boost growth through culture. Making this a practical reality for councils locally and national cultural policy is likely to be a focus for next year.

Economic growth, jobs and prosperity

12. The CTS Board's contribution to the LGA's growth campaign is focussed on the visitor economy, superfast broadband and Olympic and Paralympic legacy, and all of these issues are likely to remain very high on the Board's agenda next year.
13. The Board decided at its September meeting that its work should for the coming year put tourism and the visitor economy centre-stage. This is not only providing a focus for the Board's work and framing the work we do on individual topics such as museums, arts, licensing or the built heritage. It also aligned the Board's work explicitly with the LGA's overarching priority to position councils as leaders and drivers of economic recovery and future growth. Officers are currently developing a work programme for Members' steer and continuing to implement this will be an important focus for next year. Central is likely to be promoting and supporting councils' leadership role, working with councils, industry and Government to improve productivity and ensuring councils have the necessary levers over finance, skills and transport so that they can provide the infrastructure that is essential for a thriving visitor economy.
14. Next year will be critical for the local rollout of superfast broadband in rural and urban places. Superfast broadband is essential infrastructure for many businesses, which will help drive growth in the local economy and create jobs.
15. Assuming that the Government secures state aid clearance for its investment in the rollout, the 46 councils in the rural broadband programme will have completed procurement by July 2013 and be on track for superfast broadband to reach at least 90% of the population by 2015. As well as providing practical support to councils through Local Partnerships, the Board will want to ensure that communities and local businesses, through their elected councillors, continue to have a say over the installation of telecommunications infrastructure in their communities. In the context of a perceived lack of competition in the supply chain, the Board will also have an important role to play in calling on Broadband Delivery UK to make available information and benchmarking that will help to ensure competitive deals are struck.
16. With the dismantling of much of the Games-time architecture, only local government is in a position to ensure that the legacy is delivered on the ground in local areas, and councils up and down the country are seizing this fantastic opportunity. The LGA's 2012 Games Task and Finish Group has mandated the Culture, Tourism and Sport (CTS) Board to lead supporting councils to secure a sporting, economic (within this a focus on the visitor economy) and community celebration legacy. A key role for the Board will be encouraging councils to maintain the momentum on legacy, sharing good practice and ensuring local government has a strong voice in national legacy programmes and any resources that flow from that.

Public service reform

17. The culture and sport sector has a strong track record of leading innovation, finding new and more efficient models of service delivery and managing the rationalisation of services and assets. In particular 40% of culture and sport services are now delivered in some form through trusts or social enterprises and the pioneering Future Libraries Programme (now the Libraries Development Initiative) put councils at the centre of transforming the delivery of library services through sharing back office services, co-location and involving local people more. We are already seeing a fundamental rethink to the way culture and sport locally is organised and funded, and capturing the learning and developing new ways of working further will continue to be an important focus for the CTS Board.
18. Culture and sport are also central to key elements of the wider public service reform agenda. For example, councils' responsibility for public health presents big opportunities for sport and physical activity; access to the Universal Credit will be online and dependent upon the broadband rollout, and Community Budgets have the potential to free up money in the system which culture and sport can influence through the commissioning process. All of this suggests the Board will continue to support culture and sport locally to play its full part in maximising the opportunities from public service reform and advocate to Government for a national policy framework that reinforces this.

Funding for local government

19. Supporting councils to manage the funding outlook for culture, tourism and sport is central to the Board's work, and has already been mentioned several times in this paper. Having a clear understanding about how funding pressures are impacting upon local provision of culture, tourism and sport is essential. The Board is also playing a key role in promoting Government's understanding about the reasons for changes to how culture and sport services are delivered locally, which are also the result of efficiencies from different ways of working.

Sector led improvement

20. The CTS Board has supported portfolio holders and professionals to lead transformational change and implement new delivery models, to position the sector locally and break down silos, to operate in a commissioning landscape and to seize opportunities presented by wider public sector reform.
21. Our core improvement offer consists of leadership academies and seminars, bespoke peer support, practical improvement tools and a strong presence on Knowledge Hub to enable the sector to exchange good practice and case studies. The majority of our leadership and peer support activity is funded by Sport England and Arts Council

Item 4

England, and the scale of our improvement offer next year depends upon our ability to secure continued external investment over the next few months.

22. Given the pace of public sector reform and continued budget pressures, it is very likely that there will continue to be strong demand from councillors to access an improvement offer on CTS priorities. Next year will be particularly important for the role culture and sport plays in public health, and this is likely to be a major focus of our improvement offer. Another suggested priority is to work with the LGA political groups and professional bodies to develop further our network of member and officer peers, to ensure that the sector has the capacity to meet the demand for improvement support. We will also ensure that councils can access appropriate culture and sport data on LG Inform to support improving performance locally.

What has worked well / not so well and doing more / less

23. The CTS Board enjoys strong and productive relationships with the DCMS Ministerial team that enable us to influence Government policy, and has already had positive dialogue with the new Secretary of State for Culture. This is hugely important as the Board seeks to position investment in culture, tourism and sport as a driver of growth.
24. As mentioned above, the Board oversees a very popular programme of political leadership seminars and peer support on the biggest culture, tourism and sport issues for councils. Resources permitting there is scope to build upon and expand this next year.
25. As with other sectors there are a huge number of organisations with an interest in culture, tourism and sport who want to engage the LGA and local councils. Given the LGA's own resources it is essential such contact is always in pursuit of the Board's priorities, and activity on the periphery to this is appropriately dealt with.

Appendix A

2013/14 Business Plan - initial proposition

The LGA is the national voice of local government. We work with councils to support, promote and improve local government.

We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

The LGA will fight local government's corner, supporting councils through challenging times and focusing our efforts where we can have real impact.

Our top priorities for local government are:

- **Economic growth, jobs and prosperity** – councils are recognised as central to economic growth
- **Funding for local government** – reform of the public sector finance system so councils raise more funds locally, have confidence their financing is sustainable and fair, and greater ability to co-ordinate local public services
- **Public service reform** – councils are at the centre, and seen to be at the centre, of public service reform and delivering more effective services for local people

At the heart of all this work, are our core services to councils which are driven by our belief in **sector-led improvement**. Supporting local government as the most efficient and accountable part of the public sector, the LGA will play a leading role in improvement and innovation so that councils can continue to make a difference in their local areas and to the lives of their residents.

We are working with councils to achieve our shared vision for local government:

CHANGING LIVES - local government has the potential to lead local communities, now more than ever before, and play a central role in economic growth. In the current economic climate, it is down to local government and its leaders, to rise to the challenge. Local government leaders are demonstrating they are up to the task and driving councils forward to ensure they achieve this role.

EFFICIENT - local government remains the most efficient part of the public sector. Councils are not afraid to cut costs and be innovative about ways of improving services, as well as being prepared to consider radical solutions where this helps delivery on the ground. To achieve this, councillors are having to make difficult and at times unpopular decisions, while delivering value for money.

ACCOUNTABLE - local government really can make a tangible, lasting difference to people. Key to this is localism which means central government letting go, putting more faith in local people, and being confident about local democracy. Councils are often the single most important source of practical advice to local communities, actively involving people in the design and delivery of their local services.

RELIABLE - councils are relied on, day in day out, to deliver excellent services whatever the circumstances. They are a safety net, picking up where other services fail, handling issues that are important to people's everyday lives. Councillors are an important resource for the local communities they represent. Councils provide the glue for local communities, ensuring social cohesion and supporting the most vulnerable people in society.

Our top priorities are as important now as they were a year ago when we first signed up to them. We will ensure all our work, including that of each of the LGA's policy boards, focuses on them and that as a result of our collective efforts, councils have the right system of funding and the right powers to get the UK economy back into economic growth and to support local services

Economic growth, jobs and prosperity – councils have a key role to play in driving economic growth and promoting consumer and business confidence. Over the last year we have been focusing on this agenda, through our local growth campaign, including our work on housing and planning, and infrastructure funding. We have demonstrated that councils have a key role to play in targeting investment and economic development activity to boost local economies and create jobs. It is also clear that councils are ambitious to do more but lack the economic levers and control over funding necessary to lead growth locally. Our work so far has involved lobbying for devolution of powers and funding streams on issues such as skills, transport, investment in housing and broadband. We are working with councils on green growth and the visitor economy. We have also been pressing for the powers devolved through city deals to be rolled out to a greater number of places. We are about to enter a phase of lobbying to fight proposed reforms that threaten to undermine local decision making on planning. Moving forward, there is a need to develop a strong and convincing case for local economic leadership, to influence spending decisions and manifestos in the lead up to the general election. With that in mind, we have commissioned research designed to set out new options for the future as to how councils can support economic growth, new jobs and wealth creation.

Funding for local government - councils were cut earlier and harder than the rest of the public sector as the government began to implement its deficit reduction policy and this is already having a profound impact on people's lives. Last year we developed a model for the

Item 4

next decade which shows all future sources of council revenue against future service spending demand. Our model shows a likely funding gap of £16.5 million a year by 2019/20 or a 29 per cent shortfall between revenue and spending pressures. Assuming that social care and waste are fully funded, other services face cash cuts of over 66 per cent. If capital financing and concessionary fares are also funded in full, the cash cut for remaining services rises to over 90 per cent. Local government has a track record of being the most efficient part of the public sector. But our model shows that efficiency is not going to be enough. Future sustainability starts with reform of adult social care funding. The financial future of local government is driven by care spending which will continue to grow strongly while councils' revenues will fall and then stagnate. The situation is even more challenging for councils with ageing populations. In this context it is important that councils are allowed to have a proper dialogue with residents about how much tax they want to pay and what services they want to receive in return. There is also the need for an effective conversation with local people about simply cutting out services that can no longer be afforded. These are therefore the issues we will be working on with councils over the coming year. Above all else, residents and local businesses need councils to have a fair and simple funding system that gives greater financial autonomy, supports local services and encourages economic growth.

Public service reform – the scale of the public spending cuts mean that a fundamental and ambitious rethink is needed to the way local services are funded and organised. The costliest and most intractable public service issues are almost without exception shared among a number of local agencies. Many councils are already working with other public sector organisations on this and the Whole-Place Community Budget pilots in particular will provide the evidence for radical change. From these experiences we are developing a picture of the council of the future and local public services more generally. We are focusing on new solutions such as demand management and behaviour change, with services increasingly designed round the needs of individuals. We will also provide support with generating new income streams and new approaches to commissioning, building on the work we have been doing with councils in the main areas of spend - children, adults and families - and also procurement and capital and assets. We are lobbying to ensure that other reforms such as the transfer of public health to local government, and changes to the planning system, make the most of councils' local leadership role across all public services in the interests of citizens. In the area of workforce reform we will negotiate to deliver national agreements that are seen as fit for purpose by councils along with a reformed pension scheme, without further serious industrial disruption or significant opt out rates. Alongside this, we will continue to work with councils to develop practical advice on the workforce challenges they face.

We will continue to deliver these priorities through the core services that we provide to councils.

We have come a long way since we published "Taking the Lead" in 2011. The government welcomed our proposals and there is now a real momentum around **sector-led improvement**. Councils are using the support we have offered and new approaches to improvement are being delivered in children's services and adult social care. Through this

work councils are demonstrating collective responsibility for the performance of local government as a whole by sharing best practice and providing peer support.

This includes

- at no cost, a corporate **peer challenge** to every council, including a core component looking at issues of leadership, corporate capacity and financial resilience
- **leadership programmes** which have already provided opportunities for hundreds of politicians, equipping them to deal with the challenges being faced by their councils
- support to help councils with capturing and **sharing innovative practice** through our Knowledge Hub, a free web-based service providing a single window to improvement in local government
- access to transparent and **comparable performance information** through LG Inform
- **sector-led improvement programmes in children's and adults services** developed and delivered through the Children's Improvement Board and the Towards Excellence in Adult Social Care Board
- **direct support** where councils are facing significant underperformance challenges
- practical support to help councils improve **efficiency and productivity**..

November 2012