

Item 7

Revenue Support Grant and supporting improved performance and assessment

Purpose of report

For information.

Summary

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

It also contains background information to support the Programme Boards' oversight of improvement and development work

Recommendation(s)

- The Board is asked to note the report

Action

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

Contact officer:

Steve Skelton

Position:

Business Manager

Phone no:

020 7664 3074

E-mail:

steven.skelton@local.gov.uk

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. From April 2011, the Group will be able to allocate funding flexibly and decide on the best way to deliver 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, and the consultation can be found at <http://www.communities.gov.uk/publications/corporate/rsgtopsliceimprovementsconsult>.

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 which will form the focus of LG Group activity for going forward 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 discussed and endorsed 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.

Item 7

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.

Performance, Improvement and Assessment

6. The Economy and Transport Programme Board provides 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. These are funded from top-slice and other sources.
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.

Item 7

9. This new approach to Improvement and Assessment has already had success. Rt Hon Eric Pickles MP Secretary of State for Communities and Local Government wrote to council leaders on 24 June **confirming that inspectorate activity on CAA would come to an immediate end** – this includes both the area assessment and the organisational assessment for councils and fire authorities. Greg Clark, Minister for Decentralisation is also developing proposals to further reduce local government inspection.
10. The LG Group will continue to argue for further reductions in inspection, assessment and data returns to Government and the Inspectorates. It will be important that this work is undertaken consistently across the all areas of activity so that Government receives consistent and mutually reinforcing messages.

Performance improvement in Economy and Transport services

11. Many Boards already take a close interest in their sector's performance and improvement. The remit of the new Programme Boards reinforces this responsibility. As background, a table of data from existing National Indicators, as agreed in Local Area Agreements, that is relevant to the work of the Economy and Transport Board, is enclosed at **Annex A**.
12. A new approach to performance data is needed that makes more use of the data that councils and partners already use to manage their own performance. In due course this should provide an easily accessible resource enabling the sector to monitor its performance across a range of locally important and selected indicators.
13. The Group will need to be in a position to respond quickly to councils that may require support on a range of issues. We will need to be confident that as a sector and as a Group we have the capacity to deal with these issues.
14. **The Board may wish to consider at a future meeting the extent to which they maintain an ongoing understanding of council priorities and performance in their areas of responsibility** and how best to achieve this. The Improvement Board is charged with oversight of the performance of the sector as a whole but is keen to work with all the respective boards to ensure that they are fully engaged in the service areas that come under their remit.

Item 7

Analysis of relevant National Indicators at local and national level – Annex A

NI	Indicator	Locally selected data*				National data#		
		Base no. of LAs	Average target value^	Average achieved value^	% LAs reaching or exceeding target value	Base no. of LAs	Average achieved value	% LAs improving over the latest reporting period~
152	Working age people on out of work benefits	66	12.5	13.9	9	142	13.7	0
153	Working age people claiming out of work benefits in the worst performing neighbourhoods	55	29.0	31.2	24	111	30.7	0
163	Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher	84	59.8	68.2	46	142	69.2	63
164	Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 3 or higher	37	46.1	48.1	51	142	49.4	59
165	Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 4 or higher	26	21.6	28.0	54	142	30.7	59
166	Median earnings of employees in the area	18	368.7	441.0	56	142	495.8	70
167	Congestion - average journey time per mile during the morning peak	18	117.4					
171	New business registration rate	60	73.3	49.9	43	351	64.9	25
172	Percentage of small businesses in the area showing growth	14	13.1	13.8	93	352	14.2	43
175	Access to services and facilities by public transport, walking and cycling	37	74.4					

* This analysis is based on a selection of authorities where data were available for both target values and achieved values.

This analysis is based on all available data irrespective of whether the authority had chosen the indicator.

~ Improvement is calculated where data are available for more than one reporting period and it simply shows whether there was improvement over the two periods, it does not show whether the target value was achieved in both periods.

^ Data cover a wide variety of reporting periods which include calendar years, financial years, quarters and months and may differ between the target period and the reporting period. Where this is the case nearest reporting periods have been used for the comparison