

Getting Closer

Purpose of report

For information

Summary

This report, summarises the outcomes of the Getting Closer programme, was considered by the LG Group Executive on 19 May 2011. The Executive agreed that the Getting Closer programme had now delivered what it had set out to do, and invited the LGA Leadership Board to make recommendations to the September Group Executive meeting on how the Group continually improves its performance to provide effective national added value to the sector.

Recommendations

The Environment & Housing Programme Board:

1. Note the outcomes of the Getting Closer programme
2. Note that the new integrated organisation will be effective from 1st June.

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Getting Closer

Background

1. In January 2009, the former LGA Executive agreed to institute a Getting Closer programme, to succeed the development strategy which had been established the previous year to take forward the outcomes of the 2007 Best review. Getting Closer has always had two overarching aims:
 - 1.1 To ensure that the LG Group is more focussed on Councils and Councillors
 - 1.2 Further integrating the work of the organisations in the Group (known then as the Central Bodies) to create greater coherence, optimise efficiencies, reduce costs and improve the quality and flexibility of services.
2. Over the past two years all major milestones have been approved by the LGA Executive and subsequently the Group Executive. A schedule summarising the main achievements is attached at Appendix 1.
3. The requirement to create an integrated, streamlined and affordable organisation to deliver the Groups priorities has been based on two fundamental factors. The first is a drive to substantially reduce membership subscriptions for Councils and other local government bodies. The second is a substantial reduction in top-sliced funding from the RSG. Although the Secretary of State for CLG agreed far greater flexibility for use of top slice, so it could be directed at the sector's priorities, funding will be reduced by 38% over the next four years. Specific contract funding for particular projects is still available, but at a greatly reduced level. So the aim has been to create a sustainable and affordable core structure.
4. In terms of staffing numbers, the establishment of the LGA and former central bodies in 2010 was 447 full time employees (excluding staff working on specific contracts). The establishment of the new LG Group from 1st June will be 269 FTEs. To date there have been 90 voluntary and 87 compulsory redundancies. The rest of the reduction has been achieved by natural wastage eg vacancy management, short term contracts.
5. So as a result of Getting Closer:-
 - 5.1 There are new Group wide political governance arrangements (due to be reviewed by the Group Executive from September 2011)
 - 5.2 A new LG Group brand
 - 5.3 Harmonised pay and conditions for all Group staff

- 5.4 An integrated organisation with staff costs reduced by 45%
- 5.5 All group staff located in Local Government House, or designated as remote workers, freeing up Layden house for commercial income as determined by the Resource Panel and Property Companies

What next?

- 6. At its meeting in March, the Group Executive agreed to commission an independent review of members' remuneration, convened by the President, Lord Best. The Independent Panel present its findings in July.
- 7. When the current political governance arrangements were introduced in 2010 it was decided to review their operation after 12 months. The review will commence in September.
- 8. Following a review of websites across the Group, a new LG Group website is due to be launched at the Annual Conference in Birmingham at the end of June.
- 9. In the medium term a decision will have to be made on whether the current pattern of an integrated organisation serving the LGA and its company structure is sustainable or whether full integration of the LG Group should be considered. This step would require constitutional amendment, so it seems sensible to establish how the current changes operate in practice before this is considered.
- 10. In one sense the Getting Closer programme is now complete. However, the twin objectives of ensuring that the Group is more focussed on Councils and Councillors and ensuring the Group operates in a coherent manner remain as important challenges. We must continually demonstrate that we offer and provide real national added value to the sector. The Leadership Board should determine how this is best achieved and report back to this Executive at the first meeting in the new 'LGA' year in September.
- 11. Meanwhile, the Getting Closer label should cease to be used from 31st May. That phase of our work is now complete.

Financial Implications

- 12. The LG Group now has a sustainable and affordable organisation to take forward its priority tasks. The budget for 2011/12 is presented to the Executive elsewhere on this agenda.

| DATE | MILESTONE |
|-------------------|---|
| 15 January 2009 | Development Strategy relaunched as 'Getting Closer' Overall direction and aims of Getting Closer agreed by LGA Executive |
| 19 March 2009 | First integrated LG Group Business Plan and LG Group Financial Strategy approved by LGA Executive |
| 21 May 2009 | Initial review of branding across the Group complete Next steps agreed by LGA Executive |
| June 2009 | LG Group pay harmonisation complete |
| 19 November 2009 | LGA Executive agree new LG Group branding |
| 30 November 2009 | Communications review complete and final proposals published |
| January 2010 | LGA Executive agree new LG Group governance arrangements |
| 1 April 2010 | Launch of new integrated communications function |
| May 2010 | Review of LG Group websites complete |
| July 2010 | Review of Business Support complete |
| 30 June 2010 | CLG confirms outcome of RSG topslice bid |
| 6 July 2010 | New LGA Constitution approved by the General Assembly New branding launched at Annual Conference |
| 1 September 2010 | New LG Group governance arrangements come into effect |
| 16 September 2010 | New LG Group Executive agree principles for reshaping LG Group |
| 30 November 2010 | Launch of staff consultation on Getting Closer restructure |
| 13 January 2011 | LG Group Executive agree LG Group business plan 2011/12 |
| 4 March 2011 | Staff consultation ends |
| 11 March 2011 | Final structure published |
| 17 March 2011 | LG Group Executive agree provisional LG Group budget 2011/12 |
| w/c 18 April 2011 | Job offers and redundancy notices issued to all affected staff |
| 19 May 2011 | Final LG Group budget presented to LG Group Executive |
| 1 June 2011 | New integrated LG Group comes into effect |
| 28 June 2011 | Launch of new LG Group website at Annual Conference 2011 |