

# Localism, Improvement and Efficiency

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# Localism, Improvement and Efficiency

Presentation in 5 sections:

1. The last year.....
  2. The context of the new government
  3. Our offer to government that phased decentralisation through **Place Based Budgets** will make significant savings and maintain service quality
  4. Moving to sector based improvement with less inspection and less top down management by government
  5. Next steps
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# 1. The last year.....

LGA Improvement Board spearheaded:

- Total Place pilots and parallel working
  - *Freedom to Lead* campaign to reduce the burden of inspection on councils
  - Local government has a good track record of making efficiency savings
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## 2. The Context for the new government

The Government has identified three significant and interlocking challenges:

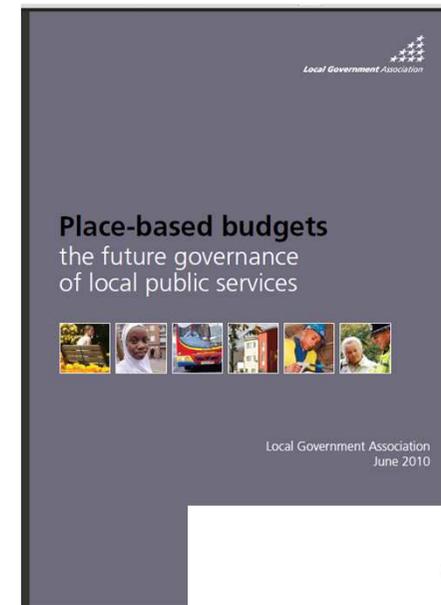
- How to restore confidence in public finances
- How to rebuild trust in politics; and
- How to tackle entrenched economic, social and environmental problems.

“Localism” and “Big Society” are seen as important levers to address the challenges

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# Our response

- giving elected councils control over local spending through local place-based budgets and new models of governance
- proposed cuts to central bureaucracy worth £4.5bn a year
- a robust new system of self-regulation for councils building on proposals in *Freedom to Lead*



# What the new government has done

- Coalition Agreement commitment to promote decentralisation and democratic engagement, giving new powers to councils
  - A Decentralisation and Localism Bill will be introduced after the summer recess
  - But for the government, decentralisation also means citizen choice and the Big Society, not simply handing power to councils.
  - Greg Clark MP, Decentralisation Minister, to lead proposals to further reduce inspection of LAs
  - CAA brought to an immediate end - this includes area assessment and organisational assessment
  - OFSTED's annual assessment of children's services under review and Michael Gove promoted self improvement in his LGA Conference speech
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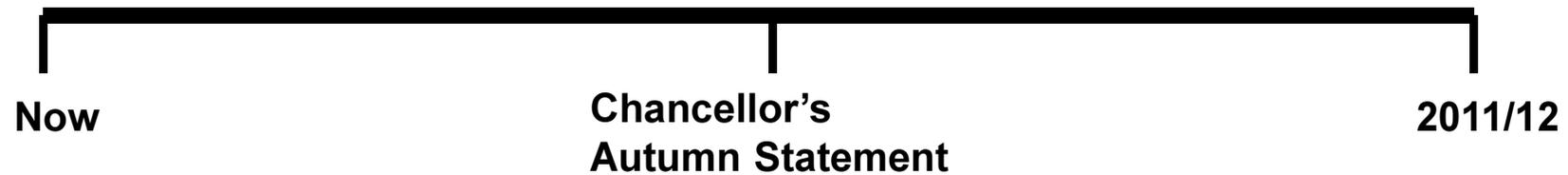
## 3. Place-based budgets

- LGA has put place-based budgets firmly at the centre of the spending review for local government;
  - Chief Secretary and Secretary of State for CLG have asked for a place-based budgeting submission alongside departmental submissions to the SR
  - Over 40 Total Place and parallel working propositions submitted to HMT on budgets areas would like devolved
  - Cross-government senior official-level work is in hand and will report by the end of July: LGA Group and council chief executives are involved in the process
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# Place-based budgets: our ask

- We want to see place-based budgets for a comprehensive set of public services – the list includes public health, crime and disorder, offender management, unemployment and others; this should amount to a significant amount of money;
  - This goes with a market-making and facilitating role in local services funded in choice-based ways (GP commissioning or free schools, for example);
  - LGA policy is the principle that this is available for all areas – although a uniform “big bang” may not be an achievable ask;
  - It should be a matter for areas to decide what their geography is and what their local governance model is.
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# Place-based budgets – timeline for 1<sup>st</sup> phase prototypes by 2011/12



Propositions by councils “ready to go”



Agreement to 1<sup>st</sup> Phase prototypes



First phase of roll out begins

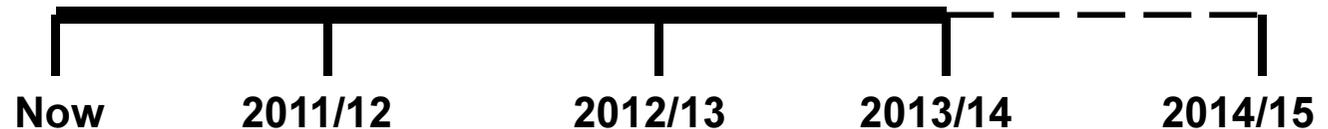
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**And a drive for place based productivity will assist the overall roll out by working with councils due to receive placed based budgets in later phases (2012/13+)**

**Place-based budget prototype and roll out**



**Supported by place based productivity work streams**



# *Productive Councils, Productive Places*

The Place Based Productivity workstreams will:

- support councils to give an assurance to government that they are able to manage larger budgets for their area,
  - use the best talents of the sector on specific areas that councils and partners have identified need addressing
  - ensure skills transfer within the sector from prototypes/early phases to councils receiving placed-based budgets in later phases,
  - build on other sectors' good practice to create new skills and tools,
  - work with partners to create capacity to improve productivity across all public spending in local areas,
  - spread existing good practice to deliver productivity gains from existing efficiency techniques,
  - develop tools to deliver transformational change by configuring outcomes in different ways and ensuring optimal allocation of funding
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# 9 proposed work streams being set up



- 1 Procurement, capital and shared assets**
- 2 Workforce and skills**
- 3 Adult social care**
- 4 Children's services**
- 5 Shared services across areas, tiers and partnerships**

- 6 Democratic leadership**
- 7 Tackling central government barriers and burdens**
- 8 Big Society and shaping markets**
- 9 Data and transparency**

*Work streams are being established with leading experts including from local government, partner organisations, the private sector and government departments. The work will support the roll out of place-based budgets and provide tools to save money and maintain quality as revenue support grant is reduced.*

## 4. A new model of self-regulation

In line with the LG Group's offer to Government, we are developing radical proposals to:

- design a new Central and Local Government agreement, using transparency to support local accountability and reduce costs
  - support local government self improvement
  - reduce the burden of inspection on councils and provide early warning of risk of failure
  - lead the debate to shape what will develop to replace CAA and other inspections
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# A sector owned approach to self regulation and improvement (1)

## 1. Using transparency to support local accountability

- local performance information publicly available
  - cut back on central reporting
  - sector owned benchmarking tool to provide comparability on unit costs, productivity and outcomes
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# A sector owned approach to self regulation and improvement (2)

## **2. Local government self improvement**

- self assessment and peer challenge
- place based budgets and supporting efficiency/productivity work streams
- Review 11 leadership /improvement bodies

## **3. Early warning of the risk of failure**

- early warning signals
  - sharing intelligence about place
  - providing support to prevent risk of failure
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# A sector owned approach to self regulation and improvement (3)

## 4. Further reductions in Inspection

- an end to Annual Performance Assessment for children and for adult services
  - possible “dual key” arrangements to manage the burden - replacing current costly AC gate-keeping function
  - streamlined statutory audit to focus on financial resilience, VfM and data quality
  - “regulatory” inspections of schools, care homes, etc to continue
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# What role for the Inspectorates?

- audit and regulation but much less inspection
  - regulatory inspections of schools, care homes, etc
  - limited triggered inspections – subject to new “dual key” arrangements
  - sharing intelligence about performance with the sector
  - and what will government determine is the role of the Audit Commission?
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## 5. Next steps

Improvement Board is asked to discuss the report and this presentation to shape the next steps:

- Proposed steps to promote and roll out place-based budgets
  - Work to support roll out with efficiency and productivity work streams
  - Our plans for sector based improvement and self regulation
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# Discussion and Improvement Board steer.....