

Improvement Programme Board

Agenda

Tuesday 19 July 2011
11.00am

Smith Square Rooms 1 & 2 (Ground floor)
Local Government House
Smith Square
LONDON
SW1P 3HZ

To: Members of the Improvement Programme Board
cc: Named officers for briefing purposes

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LG Group Improvement Programme Board

19 July 2011

There will be a meeting of the **Improvement Programme Board** at **11.00am on Tuesday 19 July 2011 at Smith Square Rooms 1 & 2 (Ground floor), Local Government House, LONDON, SW1P 3HZ.**

Attendance Sheet

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour: Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative: Angela Page: 020 7664 3264 email: angela.page@local.gov.uk
Liberal Democrat: Evelyn Mark: 020 7664 3235 email: evelyn.mark@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Location

A map showing the location of Local Government House is printed on the back cover.

LGA Contact

Paul Johnston (Tel: 020 7664 3031, email: paul.johnston@local.gov.uk)

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<http://www.novotel.com/gb/hotel-1785-novotel-london-waterloo/index/shtml>

Improvement Programme Board - Membership 2010/2011

Councillor	Authority
Conservative (6)	
David Parsons CBE [Chairman]	Leicestershire CC
Peter Fleming	Sevenoaks DC
Peter Goldsworthy	Chorley BC
Robert Gordon	Hertfordshire CC
Richard Stay	Central Bedfordshire Council
Andrew Povey	Surrey CC
Substitutes:	
Teresa O'Neill	Bexley LB
Ken Taylor	Coventry City
Labour (4)	
Ruth Cadbury [Deputy Chair]	Hounslow LB
Tony McDermott	Halton BC
Tim Cheetham	Barnsley MBC
Helen Holland	Bristol City
Substitutes:	
Theo Blackwell	Camden LB
Russell Roberts	Rhondda Cynon Taff CBC
Liberal Democrat (3)	
Jill Shortland [Vice-Chair]	Somerset CC
Sir David Williams CBE	Richmond upon Thames LB
Edward Lord JP	Corporation of London
Independent (1)	
Jeremy Webb [Deputy Chair]	East Lindsey DC

LG Group Improvement Programme Board Attendance 2010 -2011

Councillors	09/09/10	17/11/10	18/01/11	21/03/11	17/05/11	19/07/11
Conservative Group						
David Parsons CBE [Chairman]	YES	YES	YES	YES	YES	
Peter Fleming	YES	YES	YES	YES	YES	
Peter Goldsworthy	YES	YES	YES	YES	NO	
Robert Gordon	YES	NO	YES	NO	NO	
Richard Stay	YES	NO	NO	YES	YES	
Andrew Povey	NO	YES	YES	YES	YES	
Labour Group						
Ruth Cadbury [Deputy Chair]	YES	NO	YES	YES	YES	
Tony McDermott	YES	YES	YES	YES	YES	
Tim Cheetham	YES	YES	NO	YES	YES	
Helen Holland	YES	YES	NO	NO	YES	
Lib Dem Group						
Jill Shortland [Vice Chair]	YES	YES	YES	YES	YES	
Sir David Williams CBE	YES	YES	YES	YES	YES	
Edward Lord JP	YES	YES	YES	YES	YES	
Independent						
Jeremy Webb [Deputy Chair]	YES	NO	YES	YES	YES	
Substitutes						
Teresa O'Neill (Conservative Group)	YES				YES	
Russell Roberts (Labour Group)		YES				
Clarence Barrett (Independent Group)		YES				
Ken Taylor (Conservative Group)				YES		

Agenda

Improvement Programme Board

19 July 2011

11.00 – 1 pm

Local Government House

	Item	Page
1.	Knowledge Hub The Board will receive a presentation from Sarah Jennings, LG Group.	
2.	“Taking the Lead”: self regulation and improvement in local government	3
3.	Sector Self-regulation Advisory Board	17
4.	Creative Councils Programme	25
5.	Notes of last meeting and actions arising	31

Date of Next Meeting: 11.00, 8 September 2011

Item 2

“Taking the Lead”: self regulation and improvement in local government

Purpose of report

For discussion and direction

Summary

This report updates the Improvement Board on the progress in implementing “Taking the Lead” and invites members to offer guidance on next steps.

Recommendation

The Board is asked to provide a steer on the direction so far and offer guidance on next steps.

Action

To pursue next steps in the light of members’ discussion.

Contact officers: Dennis Skinner; Head of Leadership and Productivity,
Tel 020 7664 3017 Email Dennis.skinner@local.gov.uk

Nick Easton, Senior Adviser
Tel 020 7664 3278 Email nick.easton@local.gov.uk

“Taking the Lead”: self regulation and improvement in local government

Background

1. Following publication of “Taking the Lead” the Board agreed at its March meeting that the next steps would be to:
 - 1.1 Work with the sector to develop and deliver the key tools that underpin the approach and encourage wide take up in the sector;
 - 1.2 Monitor take up of the approach and tools and evaluate progress;
 - 1.3 Continue to lobby Government to reduce the burden of data reporting to Government and the Inspectorates;
 - 1.4 Influence the future arrangements for audit in a way that supports the Group’s approach to self regulation and improvement.
2. This report updates the Board on progress and invites members to offer guidance on next steps.

Developing the key tools

3. Good progress has been made in developing the tools that underpin the approach. “Taking the Lead” set out a seven point support offer to the sector to help councils take advantage of the new approach. Appendix A **attached** reminds members what we said we would provide and sets out what we have done and next steps. In particular:
4. **Peer Challenge:** The Peer Support Team is in discussion with a number of upper tier and district authorities and is at various stages of planning their peer challenges. In the first batch of peer challenges (the first of which will be taking place in July and will be continuing in to the autumn) we plan to test out the new approach in a range of different types of authority in a variety of locations across the country, including:
 - 4.1 individual district and unitary councils;
 - 4.2 councils with joint management arrangements and shared services;
 - 4.3 a council working with public sector partners within its area;
 - 4.4 a county working in parallel with the first of its districts, looking to develop a countywide approach and to explore two-tier arrangements; and
 - 4.5 a sub-regional approach involving a county and unitary council in the West Midlands.
5. Feedback so far has been very positive.

Item 2

Discussions are taking place with a **county and metropolitan authority** about an extended joint Peer Review of the locality partnership arrangements and their effectiveness. This would involve a number of discrete team visits but for shorter durations than has been the norm.

The individual on-site elements would include some developmental opportunities for peers to work with officers and members (as well as garnering insight and intelligence) rather than treating support and development as a discrete follow-on.

The scope of the review is currently under discussion with the authorities and it may be that it also includes a further metropolitan council, but this has yet to be resolved.

A **shire district** will be one of the first councils to undertake the new style peer challenge. As well as the key questions around leadership and corporate capacity there will also be a significant focus on what the council wants to prioritise. A council with significant governance, performance and financial issues three years ago, it has improved significantly with support from LGG. The council has a strong desire to learn and improve in relation to economic development, housing, and the potential of shared services. This challenge will take place in July.

6. **LG Inform:** A prototype of the new data service LG Inform (which was presented to the last Board meeting) was launched at the LG Group Annual Conference. This has been developed in consultation with the sector and the next phase will involve further consultation and engagement with councils to ensure it remains sector-led and delivers what councils are looking for.
7. To access the LG Inform prototype, please register at www.local.gov.uk/lginform. To comment on it, please contact juliet.whitworth@local.gov.uk or use the feedback button within LG Inform.

Promoting awareness and take-up

8. We have undertaken wide ranging marketing and communications activity to promote the LG Group offer to the sector.
9. In terms of next steps we will:
 - 9.1 Evaluate the impact. We are considering options for evaluating the effectiveness of our current communications activity – so that this can inform future work.
 - 9.2 Develop a single narrative that joins up “Taking the Lead” with developments in adult social care and children’s services and provides a

Item 2

- single clear message to the sector about how these initiatives and the support provided under each strand interrelate.
- 9.3 Develop a refreshed communications plan from the Autumn onwards – which will be based on promoting the messages and learning that comes from early users of the tools.
 - 9.4 Deliver two series of road shows around the country in July and September. These are being organised with the involvement of the relevant Regional Improvement and Efficiency Partnership and/or Regional LGA and will provide an overview of the “Taking the Lead” and specific workshops on peer challenge, K Hub, LG Inform and accountability and scrutiny support, in association with the Centre for Public Scrutiny.

Taking the Lead – and other service areas

10. One of our key objectives will be to ensure that the key elements of sector self regulation and improvement, i.e. the importance of robust comparable data; self evaluation; and peer challenge are built into other key service areas. Good progress is being made in both adult social care and children’s services.
11. **In Adult Social Care:** the Annual Performance Assessment for adult social services has been abolished and the Care Quality Commission is developing a risk based approach to safeguarding inspections.
12. The new joint Commissioning Board (Promoting excellence in Councils’ Adult Social Care) has also agreed the key elements of an approach to sector led improvement.
13. Councils are being encouraged to consider producing “Local Accounts” as a means of reporting back to citizens and consumers on performance. Local Accounts build on work that councils are already doing on local quality assurance frameworks and safeguarding annual reports. They can be used to engage with citizens and consumers around priorities and outcomes and could become a key accountability mechanism to the public and a useful way of informing self-improvement activity locally.
14. **In Children’s services:** The new joint children’s services commissioning Board (Children’s Improvement Board) has agreed a new self-improving system for children’s services, including robust data, self evaluation and peer challenge.
15. Ministers have now agreed funding to support the implementation of the model. This includes preventing failure at all points in the improvement cycle where there are identified risks and weaknesses, through a robust system of challenge and improvement support.

Item 2

16. Ministers have asked for further work to be done to ensure customers' views are taken into account - children's and parents' experiences and the views of local citizens more generally on service delivery; ensure sustainable improvement and ensure members play a full part in delivering improvements in their own local authorities and support and challenge their colleagues in other authorities so as to help raise standards across the Board.
17. All councils with responsibility for children's services have been invited to come forward to be 'Early Adopters' of the system and/or to be early peer challengers. There has been an excellent response with 2 regions, 1 improvement cluster and a number of individual councils now signed up. In addition the National Foundation for Educational Research (NFER) has been commissioned to draw out the learning and report to the Children's Improvement Board.
18. Members should also note that there is a high expectation of compliance with the key elements of this approach in the children's services system because of the nature of the services involved.
19. Whilst the sector has always accepted the need for external inspection in high risk areas where the impact of failure is high – such as children's safeguarding - successful take up of the self-improvement system will help the sector make the case for changes in the current inspection arrangements in children's services and ensure that the overall burden is reduced.
20. Ofsted will be consulting on a revised framework for the inspection of some key aspects of children's services this summer, for implementation from May 2012. Legislation is required to remove Ofsted's statutory duty to produce an annual rating for each council's children's services and the Children and Young People Programme Board and Children's Improvement Board are urging Government to find the earliest possible legislative opportunity to do so.

Monitoring and Evaluation

21. The Self Regulation Advisory Board (see Item 3 on this agenda) is committed to reviewing the experience of the first year of "Taking the Lead" both in terms of the take up of the approach; the use of the tools; and the extent to which this has contributed to improved performance.
22. Officers are currently exploring evaluation options for discussion with the Advisory Board in September and will then be in a position to report to the Improvement Board in the Autumn.

Item 2

Conclusions

23. Good progress has been made but there is still a lot to be done in terms of:
- 23.1 promoting the 7 point offer and councils take up of the tools (e.g. signing councils up to have a peer challenge);
 - 23.2 finalising the support tools with councils (e.g. some of the accountability tools, LG Inform)
 - 23.3 engraining the approach in other service areas
 - 23.4 strengthening the way we understand performance in the sector as a whole and individual councils facing performance challenges
 - 23.5 developing proposals to monitor and evaluate the success of the approach and the individual tools.

Financial Implications

24. There are no additional financial implications arising from this report.

LGG Improvement Programme Board – 19 July 2011

Taking the Lead – update

	What we have done - and next steps
<p>Taking the Lead – our 7 point offer</p> <p>1. Local accountability tools</p> <ul style="list-style-type: none"> ➤ We will strengthen our online guidance to provide a package of support showing how new and existing tools can be brought together to provide regular feedback to local people ➤ We will develop and make available, free of charge, a new web-based local assessment tool that helps councils work with local people, partners and communities to get a shared assessment of current performance ➤ We will also work with a number of councils to pilot new ways of gathering information about citizens’ views of the services that councils provide in order to help councils continue to make improvements that are meeting the needs of citizens and users 	<ul style="list-style-type: none"> ➤ Online guidance. We have strengthened the online guidance and will raise its profile on the new LG Group website ➤ The online guidance includes a whole section on local self-assessment providing advice and examples for local authorities to make use of. We will strengthen the accompanying guidance with advice about capturing citizen views and bringing them together in a coherent way. We will also bring together self assessment tools in other services areas so that councils can explore the inter-linkages. ➤ Piloting new ways. We will explore the opportunities new technologies create (particularly via social networks) for developing new ways of gathering intelligence about citizen’s views of local services
<ul style="list-style-type: none"> ➤ Working with the Centre for Public Scrutiny we will offer, subject to resources and the level of need identified by the sector <ul style="list-style-type: none"> ○ Free or subsidised follow-up support from CfPS to authorities where the effectiveness of member challenge is identified as a weakness in a peer challenge ○ Free or subsidised access to wider governance improvement support using CfP’s Accountability Charter and moderated self-assessment 	<p>We have agreed a programme for 2011-12 with CfPS to maintain free access for all authorities to regular (10 pa) updates, briefings (at least 12 pa), helpdesk and on-line resources. CfPS will also continue to support the National Overview and Scrutiny Forum, made up of representatives from all regional scrutiny networks to enable sharing of good practice and two-way information flows.</p> <p>The 3 points highlighted in Taking the Lead will be met through:</p> <ul style="list-style-type: none"> ➤ 6 free days of direct scrutiny support to authorities nominated for this through LGG engagement (costs met by CfPS)

<ul style="list-style-type: none"> o A programme of free or subsidised events, working with CfPs to help key local scrutiny chairs and other members develop their skills and capacity to provide effective challenge to performance. 	<ul style="list-style-type: none"> ➤ Free use of the Accountability Works for You framework (new name for the Charter) for up to 6 authorities identified by LGG as having governance problems (costs shared between LGID and CfPS) ➤ CfPS-run workshops at all the regional Taking the Lead events in the summer and autumn, and CfPS inputs at regional scrutiny networks as requested by them. CfPS is also running a master class session on Accountability Works for You at LGG Conference. <p>CfPS will also provide support and briefings to LGG Peers, Advisers and others to ensure they are up to date with the latest information and that the Peer Challenge and other offers reflect scrutiny best practice – discussions to set this up have already been held between relevant LGG and CfPS officers.</p>
<p>2. Peer Challenge</p> <ul style="list-style-type: none"> ➤ A free of charge peer challenge over the three year period starting in April 2011. The focus of the challenge will be worked up with each authority individually and will be flexible to councils' needs. However we expect they will all have some focus on corporate capacity and leadership because we know these are key factors in council performance and improvement ➤ In addition we will continue to offer shorter, sharper more subject-specific challenges. It will not be possible for these to be free but the price will be kept to a minimum. 	<p>Local Government: We have</p> <ul style="list-style-type: none"> ➤ Continued to promote the peer challenge offer widely through a range of mechanisms and at several events and meetings ➤ Continued to develop the detailed methodology and the approach to peer management and deployment to support it with the sector – in meetings with lead national and regional member peers and a sounding board of council chief executives ➤ Delivery. The Peer Support Team is in discussion with a number of upper tier and district authorities and are at various stages of planning their peer challenge. Initial peer challenges are being delivered in July and will test out the proposed methodology across a range of scenarios and types of authorities - e.g. shared management, county and district, etc. Feedback so far has been very positive. ➤ A range of subject specific peer challenges have been delivered and are planned for 2011/12 <p>Fire & Rescue Services:</p>

	<ul style="list-style-type: none"> ➤ The Fire & Rescue Services (FRS) Peer Challenge offer is being revised in partnership between the LG Group and the Chief Fire Officers Association (CFOA) through a new Member led peer challenge working group established by the Fire Services Management Committee ➤ The new FRS peer challenge will be launched in the Autumn 2011 with several Fire & Rescue Services already lined up to test the methodology.
<p>3 Peer Support</p> <p>We are offering up to five days of free member peer support for all councils undergoing a change of control</p>	<p>Lead and regional lead peers have contacted all councils/leaders eligible for the offer of support. Engagement with individual councils and members is at various stages, with peer support currently being delivered in several councils and discussions ongoing in others.</p>
<p>4. Knowledge Hub</p> <ul style="list-style-type: none"> ➤ We know that councils want to learn from each other but find it difficult to find the time or find the right information. Therefore we are investing on behalf of the sector in a new web-based service that will create a single window to improvement in local government. It will bring people together in one place online to share ideas, knowledge and information. Users will be able to find peers and experts who share their interests, to help each other and develop how they work. It will be a much more coordinated and dynamic way of using social media. 	<p>The Knowledge Hub forms part of our new integrated online offer that incorporates LG Inform, ESD toolkit and the website. The new LG Group website - www.local.gov.uk – is the first element of this suite of tools and is online now.</p> <p>We are about to launch Knowledge Hub, a new social networking and data visualisation system for local authorities. It will revolutionise knowledge sharing between peers with a focus on the individual and their specialist networks. From officers to councillors and managers to policy people, it will help with personal and professional development through shared expertise and experience.</p> <ul style="list-style-type: none"> ➤ The first limited version of this is live now and the system will be rolled out over the coming months until a complete system, including data comparison and analysis tools, is available towards the end of the year.

	<ul style="list-style-type: none"> ➤ A full 'beta' version will be released at the end of July 2011. At this point, migration of existing Communities of Practice will commence. ➤ A more enhanced version will be released in early August. This will extend the social media functionality and incorporate more sophisticated search/discover/find elements. ➤ By mid-September, the integration of data and applications (eg LG Inform) will commence, with a full stable release expected in October [exact timings are subject to more detailed technical planning.]
<p>5. Data and Transparency</p> <ul style="list-style-type: none"> ➤ We are creating a free of charge place within Knowledge Hub for councils to lodge and access data in an open source environment to help them understand their performance and productivity ➤ For councils who want the service it will also provide a facility and structure to share and compare key data for selective, intelligent comparison with similar or contrasting councils 	<ul style="list-style-type: none"> ➤ A prototype of a new data service, known as Local Government Group Inform (LG Inform) was launched at the LG Group Annual Conference. This has been developed in consultation with the sector and the next phase will involve further consultation to ensure it remains sector-led. Looking ahead, elements such as benchmarking, to allow authorities to share in-year or early sight data, will be established over the next period (autumn/winter). ➤ The integration of LG Inform with the Knowledge Hub, which will link the data with other resources and sources of information on performance and productivity, will also take place later in the year. ➤ To access the LG Inform prototype, please register at www.local.gov.uk/lginform. To comment on it, please contact juliet.whitworth@local.gov.uk or use the feedback button within LG Inform.
<p>6. Leadership support</p> <ul style="list-style-type: none"> ➤ We will continue to provide leadership support for our political leaders and we will be making available one subsidised place for every council for each of the 	<p>We have put in place a cohesive programme to support political leadership development combining the direct provision of national development programmes and a range of materials and approaches</p>

<p>next three years on one of our main programmes commissioned from the market.</p>	<p>to support in-house development. All Councils are being encouraged to take up the offer of a subsidised place on one of our political leadership programmes.</p>
<p>7. Learning and support networks</p> <p>➤ We will support networks of officers and councillors at national and sub-national levels, working with other sub-national groupings of councils and the relevant professional associations to share good practice and to provide timely support</p>	<p>This area is in a state of flux as the new approaches to assessment and improvement in adults and children's services stimulate new regional networks. We are exploring with RIEPs, Principal Advisers and the professional associations how we might rationalise and support these arrangements.</p>
<p>OTHER</p>	
<p>Managing the risk of underperformance</p> <p>➤ The LG Group Improvement Programme Board, working with the other programme boards at the LG Group, will maintain an overview of the performance of the sector.</p> <p>➤ We will work with councils to find a light touch way to gather intelligence which will be used to stimulate discussions with councils about improvement support</p> <p>➤ The LG Group will meet the remaining regulators and government to receive information about the performance of the sector from their perspective</p>	<p>We are exploring how we can strengthen our current approach to identifying councils facing performance challenges by exploiting the opportunities provided by</p> <ul style="list-style-type: none"> ➤ Our strengthened team of Principal advisers ➤ The on-going information LG Inform will provide and ➤ Links to other parts of the sector through the independent Advisory Board <p>Following discussions with DCLG officials, CEXs, SOLACE and others in May we are also working with DCLG to create a mechanism for sharing intelligence across other Government Departments and the Inspectorates.</p>

Item 3

Sector Self Regulation and Improvement Advisory Board

Purpose of report

For discussion and direction.

Summary

This report is from the independent Advisory Board established to provide oversight of sector self regulation and improvement, and offer advice to the Improvement Programme Board as appropriate.

Recommendation

Members are asked to receive the report and offer any feedback to the Advisory Board.

Action

Report back to the Advisory Board, as appropriate.

Contact officers:

Dennis Skinner; Head of Leadership and Productivity
Tel 020 7664 3017 Email Dennis.skinner@local.gov.uk
Nick Easton, Senior Adviser
Tel 020 7664 3278 Email nick.easton@local.gov.uk

Sector Self Regulation and Improvement Advisory Board

Background

1. The LG Group Improvement Programme Board, working with the other Programme Boards as appropriate, provides political leadership and oversight of sector self regulation and improvement. However, as members have previously acknowledged this new approach brings with it both considerable opportunities and risks for the sector. This is particularly the case at a time when councils are having to make significant reductions and the amount of resources from the sector to support councils is also being dramatically reduced.
2. As a result, and in view of the importance of this work to councils and the LG Group itself, the Improvement Board has agreed that it would be helpful if members were supported in this work with independent advice from a wider range of views from the sector than that provided by the LG Group officers alone. As reported to the Board in March, a new sector owned and led Advisory Board has therefore been established (independent of the LG Group) to provide oversight of the new approach and advise the LG Group as appropriate. Steve Freer, Chief Executive, CIPFA, has agreed to chair the Board.
3. The Advisory Board has met on three occasions and has spent some time thinking about how it can best assist the LG Group to make a success of its proposals for self regulation and improvement.
4. The Advisory Board's first report to the Improvement Board is **attached** at Appendix A. The report sets out how the Advisory Board sees its role, and provides details of some of the key things it has been considering to date and planned work.
5. Specifically the Advisory Board advises that the LG Group should consider and agree what success looks like for the LG Inform service before the final version is launched in the autumn and that the Improvement Board should put in place arrangements to assess its progress at key stages.
6. It has also offered advice about strengthening our arrangements to identify councils facing performance challenges.

Financial Implications

7. There are no additional financial implications arising as a result of this report.

Sector self regulation and improvement – Advisory Board report

We welcome the establishment of the Independent Advisory Board.

We have met three times this year so far and have spent some time thinking about how we can best assist the LG Group to make a success of its proposals for self regulation and improvement within local authorities.

In summary we propose that:

The role of the Board is non-executive and advisory.

We see our role as that of a “critical friend”. We will provide independent oversight of sector self regulation and improvement – giving both advice and challenge to the LG Group. Our objective is to ensure that the LG Group and the sector as a whole develop practices which are rigorous and robust, including the ability to detect, highlight and take action in significant cases where there is evidence of poor performance.

Where the LG Group itself provides tools and support to local authorities we will be interested in the take-up, value and effectiveness of those products and services. We will also be interested in the take-up, value and effectiveness of other products and services available to councils.

We will report to the LG Group after each meeting and currently intend to provide an annual report to the LG Group Improvement Board. Our reports should be in the public domain. We will welcome feedback from the Improvement Board and are ready to offer additional advice to the Board on other issues, as requested.

We may wish to commission further work – and are grateful for the confirmation of assistance from the LG Group.

As well as taking time to consider how we can best assist the LG Group to make a success of its proposals for self regulation and improvement we have looked at LG Inform and discussed the lessons emerging from Rob Vincent’s recent review of councils experiencing intervention.

We have examined the way **LG Inform** (the Group’s new data service) is developing. We think this service is sensible and necessary. It has real potential value for Overview and Scrutiny members. And in the longer term consideration should be

19 July 2011

Item 3

given to broadening the scope to include councils' work with other parts of the local public sector, in particular health. We have asked to receive regular progress reports on the development and introduction of LG Inform.

But we are, in particular, of the view that the LG Group should consider and agree what success looks like for the LG Inform service before the final version is launched in the Autumn and that the Improvement Board should put in place arrangements to assess progress at key stages.

We met with Rob Vincent, Chief Executive, Doncaster MBC to discuss the lessons emerging from his **review of councils experiencing intervention** (which was the basis of his presentation to the LG Group Improvement and Innovation Conference in March 2011) and how this could inform the LG Group's approach to managing the risks of underperformance.

We believe that the task of detecting, highlighting and taking action in respect of poor performance by individual local authorities is one of the most challenging issues facing the LG Group. The previous performance regime could not predict or prevent failure. Neither is an approach based on self-regulation likely to do so. Nevertheless it is important that the LG Group makes a concerted effort, and develops a systematic approach, to try to identify the early warning signs of possible major difficulties and provide effective support services for affected councils.

It is clearly important to maintain close contact with authorities which have experienced difficulties in the recent past to ensure that they are continuing to improve and make progress. But it is important to also scan for possible new difficulties. To do this effectively it is important to recognise some of the indicators which may give rise to performance failures which include:

- a lack of trust and confidence in relationships between leading members and senior staff
- adoption of high risk change strategies
- disengagement from the wider community of local government
- significant financial difficulties and/or inability to gain agreement for an appropriate financial strategy

In order to identify the small number of authorities – perhaps three or four – facing acute difficulties at any point in time, it will be necessary to keep a much larger number – perhaps twenty or thirty – on the LG Group's radar screen and to recognise that presence on the radar is not in itself an indication of failure.

Over the **next few months** we will be particularly keen to ensure that robust arrangements are in place to

Item 3

- gather intelligence about performance and manage the risk of underperformance
- assess the sector's ownership and take-up of the self regulation agenda

and that we are developing a way of assessing what impact the new approach has in terms of improved outcomes.

The **Membership of the Board** is as follows:

Steve Freer (Chairman)	Chief Executive, Chartered Institute for Public Finance and Accountancy (CIPFA)
Eugene Sullivan	Chief Executive, Audit Commission
Ian Hickman	Director of Policy, Audit Commission
Michael Whitehouse	Chief Operating Officer, National Audit Office
Mike Suffield	Director of Financial Audit, National Audit Office
Mike Bennett	Assistant Director General, Society of Local Authority Chief Executives (SOLACE)
Caroline Tapster	Chief Executive, Hertfordshire CC
Terry Huggins	Chief Executive, South Holland and Breckland
Paul Najsarek	Association of Directors of Adult Social Services (ADASS)
Marion Davis	President, Association of Directors of Children's Services (ADCS)
Suki Binjal	Solicitors in Local Government/Association of Council Secretaries
Jessica Crowe	Executive Director, Centre for Public Scrutiny (CfPS)
Rob Whiteman	Director of Policy and Development, LG Group
Dennis Skinner	Head of Leadership and Productivity, LG Group

Item 4

Creative Councils – update

Purpose of report

For discussion and direction.

Summary

This report updates the Board on progress with the Creative Councils innovation programme, a collaboration between the LG Group and the National Endowment for Science Technology and the Arts (NESTA).

Recommendation

Members are invited to comment on the update and the Group's forward work programme on Creative Councils.

Action

Officers to reflect members' suggestions in the design and delivery of future support to councils, communications and lobbying activity derived from the Creative Councils programme.

Contact officers: Ruby Dixon and Dennis Skinner

Phone no: 0207 664 3017

E-mail: Ruby.dixon@local.gov.uk; Dennis.skinner@lga.gov.uk

Item 4

Creative Councils - update

Background

1. Creative Councils is a new programme from NESTA (National Endowment for Science, Technology and the Arts), working with the Local Government (LG) Group, to support councils to develop and implement radical innovations that meet the challenges of tomorrow.
2. The ambition over the next two years is to work with a small group of creative, pioneering councils and their partners throughout England and Wales. We will develop, implement and spread transformational new approaches to meeting some of the biggest medium and long-term challenges facing communities and local services.
3. The focus of the programme will be on councils prepared to ask fundamentally different questions. For example, 'how can we support older people to live well' instead of 'how can we deliver better services to older people at lower cost'.
4. Our aim is both to provide practical support to the councils and their partners involved in the programme to successfully develop and implement their ideas, and to generate learning, practical models and inspiration that can be applied throughout local government.

The Programme

5. The programme was launched on 14 April with a call for councils to submit ideas for addressing some of the biggest medium and long-term challenges facing communities and local services. At the submission deadline on 20 June, 136 councils had offered up innovative ideas. The applicants cover all political administrations, regions, a good geographical spread, and different types of councils.
6. This is a key programme that can help the Group to support councils to radically transform the way they lead their communities, which can move the sector beyond improvement to innovative solutions to local problems. There are natural synergies between the Group's wider work on: productivity; community budgets, leadership, data-sharing and transparency, peer support and leadership. The level of uptake of ideas across a whole range strategic and service priorities, indicates that councils have the appetite for change and they see real value in participating in this programme.

Item 4

7. By the end of July we will select up to twenty of the most promising ideas that will receive financial and non-financial support to develop their thinking and establish the potential to spread to other areas. The support will include a programme of events, workshops and support to help the councils deliver their vision.
8. In autumn 2011, we will select the five ideas with the highest potential to receive further tailored support to implement their innovation.
9. A Steering Group has been established to monitor, develop and oversee the work of the Programme at a high level. The Group will include equal members of LG Group and NESTA and other representatives to be agreed. Councillor Fleming is the Improvement Board's representative on the Creative Councils Steering Group.
10. Staff from LG Group and NESTA are in the process of completing the assessment of all the applications at the time of finalising this report.
11. The applicants to receive funding and support as part of the Programme, and the amount and type of support, shall be decided by a Selection Panel consisting of representatives from LG Group and NESTA.
12. As part of a wider context of liberalisation of public services, the programme also provides access to suppliers with expertise of the private, voluntary and social enterprise sectors, through a framework of specialist suppliers. The programme also enables councils to work with other councils in clustered or related services.

Conclusion

13. This is a programme developed with, by and for councils and their partners. It has been created in response to the concerns of councils, and will be adapted in response to the ideas that emerge and the authorities and partners that come forward.
14. Throughout the programme we will share learning in real-time, providing valuable resources and insights that can be applied throughout local government.
15. Councils are being asked to deliver more and better for less whilst achieving cuts of 30% of the next four years. Councils told us they need the space to create and innovate. Creative Councils provides the support, facilitation and space to take risks in pursuing radical ideas.

Item 4

Financial Implications

16. NESTA has agreed to provide £2m as their contribution to the Creative Councils programme. This includes £250,000 to support the work in Scotland. The LGID Company Board agreed at its meeting in March 2011 to set aside a sum of £750,000 from reserves to support the programme in 2011/12.

Note of decisions taken and actions required

Title:	LG Group Improvement Programme Board
Date and time:	Tuesday 17 May 2011, 11.00am
Venue:	Local Government House

Attendance

Position	Councillor	Council
Chairman	David Parsons CBE	Leicestershire CC
Vice chair	Jill Shortland	Somerset CC
Deputy chair	Ruth Cadbury	Hounslow LB
Deputy chair	Jeremy Webb	East Lindsey DC
Members	Peter Fleming	Sevenoaks DC
	Richard Stay	Central Bedfordshire
	Dr Andrew Povey	Surrey CC
	Tony McDermott	Halton BC
	Tim Cheetham	Barnsley MBC
	Helen Holland	Bristol City
	Sir David Williams CBE	Richmond upon Thames LB
	Edward Lord JP	City of London Corporation
Substitutes	Teresa O'Neill	Bexley LB
In attendance	Philip Selwood	Energy Saving Trust
Apologies	Peter Goldsworthy	Chorley BC
	Robert Gordon	Hertfordshire CC

Officers: Rob Whiteman, Dennis Skinner, Nick Easton, Liz Hobson, Philip Mind, Jasbir Jhas, Sarah Abdel-Aal, Paul Johnston (all LG Group)

Item	Decisions and actions	Action by
1	Future arrangements for audit	
	Members received a presentation from Julie Carney, Deputy	

Director, DCLG, on the Department's consultation paper entitled "Future of local public audit". The presentation can be viewed via <http://www.lga.gov.uk/lga/core/page.do?pageld=18479601>

Members discussed the potential options on the scope for public audit in the future and the key points to be made in the LG Group response to the consultation, which included:

- Concerns that a requirement for local authorities to establish Audit Committees was excessive and unnecessary. Members also raised concerns about the difficulties in recruiting suitable independent Members on to such Committees.
- The need to recognise that 'value for money' was most appropriately defined at the local level. The Board emphasised that elected Members had a key role in ensuring authorities were achieving value for money.
- In terms of the proposals for smaller local public bodies, shire districts could equally have a role in the appointment process.
- The need to ensure that smaller size auditing bodies were not excluded from the marketplace when local authorities were appointing external auditors.

Decision

Members agreed:

- *the potential key points of an outline response to CLG, in Appendix B to the Board report, including that the scope of audit in future correspond with option 1 within the consultation paper;*
- *that Lead Members be authorised to approve the LG Group response.*

Action

Officers to prepare a draft response in light of views expressed by the Board and by member authorities, and to secure Lead Members' approval.

Nick Easton

2 Taking the Lead – local government self regulation and improvement

Members received a presentation from Tim Allen, Programme Director, on the development of LG Inform. The presentation is available to view via:

<http://www.lga.gov.uk/lga/core/page.do?pagelid=18479601>

Members said that it was important to ensure that the LG Inform service was promoted to those Members involved in audit and in overview and scrutiny. Members said that it was similarly important that the service was easy to use, and asked whether there was potential for collaboration with the private and voluntary sectors for data collection.

Regarding progress on the Single Data List, Members raised concern over the data collection burden on local authorities. Officers said that they continued to raise this point with Government.

Decision

Members agreed the key messages about the next phase of work on the Single Data List.

Action

Officers to pursue the development of LG Inform in light of members' views.

**Tim Allen and
Juliet
Whitworth**

Promote to CLG officials the suggested key messages to guide the next phase of work on the Single Data list.

Nick Easton

3 DCLG consultation on data transparency

Members expressed concern that the Government's proposed code of practice for local authorities on data would add further confusion to the legislation around public sector data and transparency. They did not want to see requirements that were more prescriptive and burdensome for local government than those required for public services more widely. Members wanted to see more emphasis in the Group's consultation response on the additional financial burdens on local authorities arising from the proposed code.

Decision

Members approved the response to the consultation, subject to

the points above.

Action

Officers to pursue with CLG officials and seek a meeting with Ministers from CLG and the Cabinet Office.

Officers to follow up on a previous agreement to speak to Cllr Richard Stay on data issues.

Tim Allen

Officers to bring a report on the LG Group's Knowledge Hub for the next Board meeting.

Jo Miller

4 Local productivity programme

Members noted the outcomes from the recent workshops held to discuss productivity gains in the area of Children, Adults and Families, and noted the plans and preparations for the Futures Summit.

Decision

Members **agreed** the next steps for the LG Group with Local Partnerships and others to roll out the next phase of the Capital and Assets Programme.

Action

Cllr Richard Stay and Cllr Tim Cheetham to be kept updated about progress on the productivity programme.

5 Modernisation of EU public procurement rules

Sarah Abdel-Aal, Policy and Public Affairs Officer, introduced the report, which set out the five key lobbying messages that the LG Group was putting together to influence the proposed modernisation of EU procurement Directives.

Members welcomed the messages presented and suggested that Group lobbying on the EU framework also considers what EU measures could be taken to encourage local authorities to undertake procurement activities jointly, what assistance could be given to smaller scale businesses, such as local social market enterprises, and look to secure local flexibility on policy goals (environmental and social etc.)

Action

Officers to pursue the next steps listed in paragraph 10 of the report.

Jasbir Jhas

6 Community budgets

Philip Mind, Senior Policy Consultant, informed Members of progress on community budgets since the last meeting. Members suggested a paper on new ways of funding public services e.g. 'payment by results', be prepared for LG Group Leaders.

In response to Members' queries, officers said that developing knowledge on community budgets was being circulated via dissemination by Government and the LG Group's Communities of Practice.

Action

Officers to prepare a report on new ways of funding local public services for Group Leaders.

Philip Mind

7 Notes of last meeting and actions arising

Members agreed the note of the last meeting as a correct record, and noted the actions taken.

Cllr Ruth Cadbury requested that there should be a further report on the LG Group Business Plan.

The Chairman wished to record the Board's gratitude to Cllr John Commons, Liberal Democrat substitute Board member who had lost his seat in the local elections.

Liz Hobson

Actions arising from last meeting

Title:	LG Group Improvement Programme Board
Date and time:	11.00 am 17 May 2011
Venue:	Local Government House

Item	Progress
<p>1 Future arrangements for audit</p> <p><i>Action</i> Officers to prepare a draft response in light of views expressed by the Board and by member authorities, and to secure Lead Members' approval</p>	<p>Lead members approved a response to the DCLG consultation which has been submitted.</p> <p>We have also responded to the House of Commons Select Committee report on the Future of Audit.</p>
<p>2 Taking the Lead – local government self regulation and improvement</p> <p><i>Action</i> Officers to pursue the development of LG Inform in light of members' views.</p> <p>Officers to promote to CLG officials the suggested key messages to guide the next phase of work on the Single Data list.</p>	<p>The LG Inform Prototype was launched, for consultation, at LG Group Annual Conference.</p> <p>Key messages on the Single Data List were submitted to DCLG. Lead members have been consulted on principles to guide the next phase of the work.</p>
<p>3 DCLG consultation on data transparency</p> <p><i>Action</i> Officers to pursue with CLG officials and seek a meeting with Ministers from CLG and the Cabinet Office.</p>	<p>A response to the consultation on data transparency has been submitted. A meeting with Ministers has been proposed.</p>

Officers to follow up on a previous agreement to speak to Cllr Richard Stay on data issues.

Officers are in discussion with Cllr Stay.

Officers to bring a report on the LG Group's Knowledge Hub for the next Board meeting.

A presentation on Knowledge Hub is on the agenda for the July meeting.

4. **Local productivity programme**

Action

Cllr Richard Stay and Cllr Tim Cheetham to be kept updated about progress on the productivity programme.

Cllrs Stay and Cheetham participated in the Future Ways of Working Summit on 23 May. A second event is planned for 11 July.

5. **Modernisation of EU public procurement rules**

Action

Officers to pursue the next steps listed in paragraph 10 of the report.

LG Group is taking forward discussions with European Commission and the UK Government, following a fringe event at the LG Group Annual Conference on 30 June, chaired by Cllr Parsons.

6. **Community Budgets**

Action

Officers to prepare a report on new ways of funding local public services for Group Leaders.

A paper on innovative funding, including payment by results was sent to Lead Members on 1 July.

7. **Notes of last meeting**

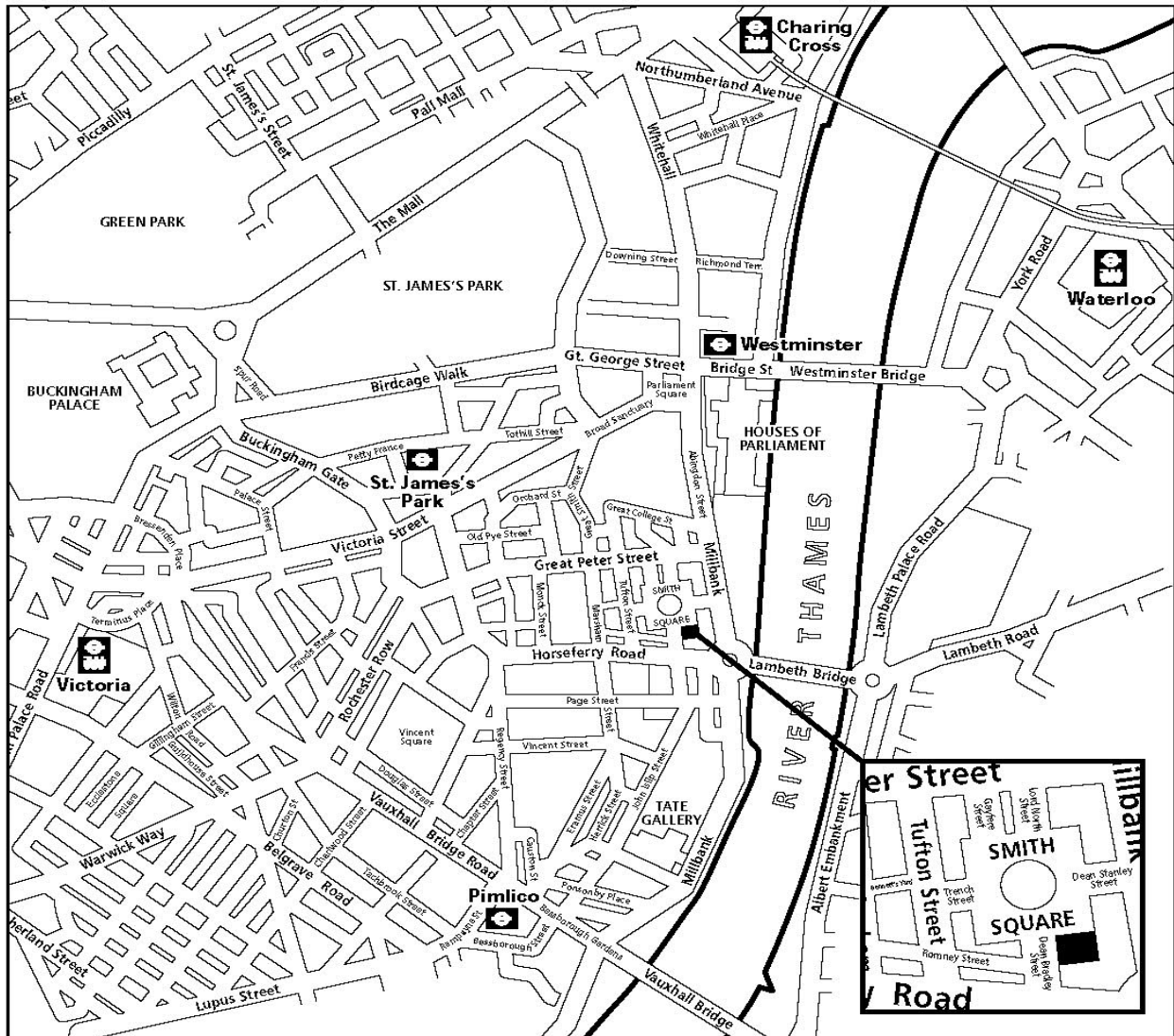
Cllr Ruth Cadbury requested that there should be a further report on the LG Group Business Plan.

The LG Group budget to support the Business Plan and Financial Strategy for 2011-12 was approved by the LG Group Executive on 19 May. A report drawing to a close the transition to the new integrated organisation was approved by the LG Group Executive on 19 May. Members will be fully engaged in the next business planning round from September.

The Chairman wished to record the Board's gratitude to John Commons, Liberal Democrat substitute Board member who had lost his seat in the local elections

A letter was drafted for the Chairman to send to John Commons as requested.

LG Group Location Map



Local Government Group

Local Government House
 Smith Square, London SW1P 3HZ
 Tel: 020 7664 3131
 Fax: 020 7664 3030
 Email: info@local.gov.uk
 Website: www.local.gov.uk

Public transport

Local Government House is well served by public transport. The nearest mainline stations are; **Victoria** and **Waterloo**; the local underground stations are **St James's Park** (District and Circle Lines); **Westminster** (District, Circle and Jubilee Lines); and **Pimlico** (Victoria Line), all about 10 minutes walk away. Buses **3** and **87** travel along **Millbank**, and the **507** between Victoria and Waterloo goes close by at the end of **Dean Bradley Street**.

Bus routes - Millbank

87 Wandsworth - Aldwych **N87**
3 Crystal Palace - Brixton - Oxford Circus

Bus routes - Horseferry Road

507 Waterloo - Victoria
C10 Elephant and Castle - Pimlico - Victoria
88 Camden Town - Whitehall - Westminster-
 Pimlico - Clapham Common

Cycling Facilities

Cycle racks are available at Local Government House. Please telephone the LGA on 020 7664 3131.

Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone. For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car Parks

Abingdon Street Car Park
 Great College Street
Horseferry Road Car Park
 Horseferry Road/Arneway Street