

Improvement Programme Board

Agenda



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

www.local.gov.uk

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Local Government House, Smith Square, London SW1P 3HZ

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Please don't forget to sign out at reception and return your badge when you depart.

Improvement Programme Board

17 January 2012

There will be a meeting of the **Improvement Programme Board** at **11.00am on Tuesday, 17 January 2012 in Rathbone Rooms 1 & 2, 7th 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: Luke Taylor: 020 7664 3264 email: luke.taylor@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

Cathy Boyle (Tel: 020 7664 3205, email: cathy.boyle@local.gov.uk)

Carers' Allowance As part of the LGA Members' Allowances Scheme a Carer's Allowance of up to £6.08 per hour is available to cover the cost of dependants (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

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Improvement Programme Board

Date: 27.10.11

Improvement Programme Board - Membership 2011/2012

Councillor	Authority
Conservative (6)	
Peter Fleming [Chair]	Sevenoaks DC
Rod Bluh	Swindon BC
Michael White	Havering LB
Richard Stay	Central Bedfordshire Council
William Nunn	Breckland Council
Teresa O'Neill	Bexley LB
Substitutes:	
Tony Jackson	East Herts Council
Jonathan Owen	East Riding of Yorkshire
Peter Britcliffe	Hyndburn DC
Labour (5)	
Ruth Cadbury [Deputy Chair]	Hounslow LB
Tony McDermott MBE	Halton BC
Tim Cheetham	Barnsley MBC
Helen Holland	Bristol City
Judith Blake	Leeds City
Substitutes:	
Theo Blackwell	Camden LB
Russell Roberts	Rhondda Cynon Taff CBC
Liberal Democrat (2)	
Jill Shortland OBE [Vice Chair]	Somerset CC
Edward Lord OBE JP	City of London Corporation
Substitute:	
Sir David Williams CBE	Richmond upon Thames LB
Independent (1)	
Jeremy Webb [Deputy Chair]	East Lindsey DC
Substitute	
John Taylor	Northumberland Council

Observers	
Philip Selwood, Chief Executive, Energy Savings Trust	Private Sector
Professor Dominic Shellard, Vice- Chancellor and Chief Executive, De Montfort University	Academic Institutions
Richard Priestman, Managing Director, Corporate Business, Lombard	Financial/Productivity Expertise

LGA Improvement Programme Board Attendance 2011-2012

Councillors	8.09.11	8.11.11				
Conservative Group						
Peter Fleming	Yes	Yes				
Rod Bluh	Yes	No				
Michael White	No	No				
Richard Stay	Yes	Yes				
William Nunn	No	Yes				
Teresa O'Neill	Yes	No				
Labour Group						
Ruth Cadbury	Yes	Yes				
Tony McDermott MBE	No	Yes				
Tim Cheetham	No	Yes				
Helen Holland	Yes	Yes				
Judith Blake	Yes	Yes				
Lib Dem Group						
Jill Shortland OBE	Yes	No				
Edward Lord OBE JP	Yes	Yes				
Independent						
Jeremy Webb	Yes	No				
Substitutes						
Tony Jackson	Yes	Yes				
Theo Blackwell	Yes					
David Williams CBE		Yes				
Peter Britcliffe		Yes				
Jonathan Owen		Yes				
Apu Bagchi		Yes				

Agenda

Improvement Programme Board

17 January 2012

11.00am

Local Government House

	Item	Page
1.	Improvement Programme Board – Priorities 2012/13	
2.	Improvement	
	(a) Sector Led Improvement - CONFIDENTIAL	
	Presentation by Cllr John Kent, Leader, and Graham Farrant. Chief Executive, Thurrock Council	
	(b) Future Arrangements for Audit	
3.	Transparency	
	(a) LG Inform Progress Report	
	(b) Update on Transparency and Open Data Measures	
4.	Leadership	
	• The National Graduate Development Programme (NGDP)	
5.	Productivity	
	• Productivity programme – <i>Better with Less</i> - Update	
6.	Innovation	
	• Creative Councils Update	
7.	Notes of the last meeting	

Improvement Programme Board Priorities 2012/13

Purpose of report

For review and direction.

Recommendation

To provide a steer on priorities for 2012/13 in the light of the direction of travel for local government and the LGA presented in the outline business plan.

Action

To feedback the Programme Board discussion to Leadership Board, to inform the final business plan which is due to be signed off by the LGA Executive in March.

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Position: Head of Leadership and Productivity
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E-mail: dennis.skinner@local.gov.uk

Priorities 2012/13

Summary

1. Work is currently underway on the LGA's Business Plan for 2012/13. As part of this, each of the Programme Boards is asked to identify the headline priorities for their areas of work for next year in the light of the LGA's overall direction of travel.
2. An outline business plan, attached as an **Appendix** to this paper, is being presented for initial review at the January Executive. This has been developed by an iterative process with members, in discussions at Leadership Board and through the political group offices. This work has informed the statement of our vision for local government and, given this, initial proposals as to where the LGA can have most impact.
3. Through this work, six priorities have emerged as the focus for the LGA's work in 2012/13:
 - 3.1 Public Service Reform
 - 3.2 Growth and Prosperity
 - 3.3 Funding for local government
 - 3.4 Efficiency and Productivity
 - 3.5 Sector-led Improvement
 - 3.6 The LGA's own effectiveness and efficiency.
4. Heads of Programmes have already fed in the known priorities for their area in the light of the Programme Board issues already identified by members. For the Improvement Programme Board, these were:
 - 4.1 Helping councils save at least £150m over the next 3 years by supporting pathfinder programmes, productivity master classes and good practice.
 - 4.2 Roll-out of the capital assets programme with a particular emphasis on councils using their assets to generate economic growth.

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- 4.3 Providing free of charge tools such as LG Inform to allow councils to benchmark costs and performance information against other authorities.
 - 4.4 Continuing to support the Creative Councils programme to help turn their ideas into action and share the outcomes with the rest of the sector.
 - 4.5 A programme of over 100 peer challenges in each of the next 3 years for councils and fire and rescue authorities.
 - 4.6 Maintaining an overview of the performance of local government and providing tailored support to councils that face significant challenges.
 - 4.7 Support to enhance councils' accountability to local people including support to strengthen scrutiny, including working with the Centre for Public Scrutiny.
 - 4.8 Providing a range of development programmes for elected members, and one free/subsidised place to every council for each of the next 3 years.
 - 4.9 Offering every council over the next three years a member development workshop to support councils to become "champions of their patch".
 - 4.10 Working with the national parties and others to increase the diversity of people standing for public office through our "Be a Councillor" programme.
 - 4.11 Offering member mentoring free of charge for any council where there is a change of political leadership.
 - 4.12 Providing development programmes which bring together elected members and officers through programmes such as our Leeds Castle programme.
 - 4.13 Attracting new talent into the public sector through programmes such as the National Graduate Development programme.
5. Programme Boards are asked to review these business plan priorities for 2012/13.



DRAFT

BUSINESS PLAN
2012/13

A 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 growth and in changing people's lives.

In the current economic climate, it is down to local government and its leaders, to rise to the challenge. People rely on us to do so, not just as the trusted deliverers of local services, but as leaders and innovators, as councillors who really know and work hard for their communities, and as officers who get on with the job.

Local government leaders are demonstrating they are up to the task and driving their councils forward to ensure they fulfil this role. Their aim is to make places distinctive and attractive for people to live and work in and enjoy.

Part of that leadership role is to communicate powerfully, to connect with people, taking the argument, strongly and self-confidently to central government, the wider public, other partners and the media.

ACCOUNTABLE

Local government really can make a tangible, lasting difference to people. It has the ability to inspire and lead communities, and improve quality of life, by creating and contributing to a real sense of place, rooted in those local communities.

Unlike many other organisations, councils can make change happen instantly and with real authority, at a very local level – the opposite of the grand, empty gesture. It is sometimes the small things which have most impact and leave the biggest impression.

Key to this is localism, by definition not something which is set out at a national level – localism means central government letting go, putting more faith in local people, and being confident about local democracy. Councils are the enablers of localism, not the impediment to it. They are often the single most important source of practical advice to local communities who want to take on more responsibility.

This means collaboration, partnership, no silos, and working across boundaries. Local government must work like this both internally and externally, facing outwards towards those who use local services.

Councils and councillors get involved and involve others. They encourage by example and support others to develop – and this includes their own workforce as much as their communities and the partners they work with. Councils actively involve people in the design and delivery of their local services.

Councils work as enablers – supporting people to take more control over their lives and their localities, and encouraging growth, through influence over land use, education, training and local infrastructure. There is real impact to be made in helping local economies and local businesses prosper.

EFFICIENT

Local government remains the most efficient part of the public sector and rightly rests its reputation on this fact. People correctly expect it to deliver cost effectively and efficiently, with excellence being pursued in balance with the appropriate use of public money.

Councils are ambitious in finding ways to do the job within their means, so they are good spenders of public money and more effective than most other organisations in helping people and communities.

In this way local councils and those who run them lead by example and by supporting others – by being bold, innovating, and sharing best practice.

Councils are not afraid to cut costs and be innovative about ways of improving services, as well as being prepared to consider radical economies of scale where this helps delivery on the ground. This means councils focusing relentlessly on performance, eliminating cost. To achieve this councillors are having to make difficult and at times unpopular decisions, while earning a reputation for delivering value for money.

Councils know they can only achieve this by ensuring they have a workforce that is appropriately rewarded, flexible, skilled and engaged through this time of unprecedented change.

RELIABLE

Councils are the backbones of their communities, relied on day in day out, to deliver excellent services whatever the circumstances. They are the safety net, relied on to pick up where other services fail.

People and their local communities depend on this and place their trust in their council, their councillors and what they deliver. Councils must live up to people's expectations and make sure their trust is not misplaced.

Local government can do this because it is one of the most open and accountable parts of the public sector. Voters expect it to deliver. It can be relied on to handle issues important to people's everyday lives and is a force for practical good.

Councillors themselves are trustworthy individuals and work hard in a transparent, highly accessible environment. They need to be supported and encouraged, as their talents, commitment and energy are a really important resource for the local communities they represent.

In return, councils connect to the daily lives of families and their communities. They do this by earning trust, being accountable and staying local. They put their faith in local people and are confident about local democracy.

Councils and their leaders provide the glue for local communities, ensuring social cohesion and successful diversity. Councils also have a key role in supporting the most vulnerable people in society.

THE LGA'S PRIORITIES

The LGA's mission is to support, promote and improve local government.

We work with councils to achieve our shared vision for local government by focusing our efforts where there is a need for us to get involved and where we can have real impact.

The LGA has a major role to play in upholding local government's reputation and supporting real leadership. We are politically led, but independently authoritative, holding unrivalled expertise and knowledge about local government and local government issues.

Leadership is about being bold and ambitious, supporting councils to make a difference, deliver and be trusted. The LGA is proactive and confident, unlocking the economic power and influence of local government and driving change. This is only possible if we work together as a single sector.

The LGA has a key role in driving the debate on public sector reform, to ensure that councils can bring together local services so they are better for the people who use them and better value for the taxpayer.

As the national organisation representing councils and councillors, we play a critical link between central and local government as the legitimate voice of our sector, making the case to ministers. Our policy work is based on objective, independent and credible analysis. It is driven by knowledge, not ideology, and by new thinking, not dogma.

The LGA also acts as the key conduit and promoter of the best that local government has to offer, by encouraging councils to develop and share best practice, through our improvement, innovation and productivity programmes.

As a politically-led membership organisation, we invest in support to the elected members who are directly involved in the LGA. We use our governance arrangements to build strong connections with councils and their sub-national partners to provide political direction for all our work.

This business plan focuses primarily on the services and support funded by subscriptions from LGA member authorities including fire and rescue authorities, and RSG top-slice. We seek additional funding for specific programmes where these fit with our priorities. We also provide services on a cost-recovery basis where councils are prepared to pay for them.

Our top priorities

To deliver our vision for local government, in 2012/13 we will focus on achieving the following outcomes:

Public Service Reform

Councils are at the centre - and are seen to be at the centre - of public sector reform and delivering more effective services for local people.

This includes:

- making the case for continued decentralisation of responsibilities and resources to councils
- making the case to government for community budgets and working with councils to develop and share good practice on community budgets for families with complex needs, and neighbourhood and area community budgets
- supporting councils with implementing the Localism Bill including the Power of General Competence and the Community Right to Bid and Challenge
- influencing the government's Open Public Services proposals and supporting councils in pursuing innovative public service reforms
- ensuring the negotiating machinery and national agreements for workforce are relevant and fit for purpose
- developing an affordable, sustainable and fair local government pension scheme that delivers value for money for the taxpayer
- supporting councils in the transfer of public health to local government
- supporting councils and community safety partnerships in preparing for police and crime commissioners, including setting up police and crime panels
- supporting councils in their role in education with the expansion of academies and free schools to ensure councils can ensure a fair system for all
- lobbying for fair funding for all schools and arguing the case for councils to be the mediating layer between central government and schools
- responding positively to the anticipated White/Green paper on the care system, supporting councils to share best practice
- articulating councils' role in the Big Society and supporting councils in commissioning from the voluntary and community sector
- helping councils share and develop good practice on payment by results
- lobbying in Brussels and Whitehall to ensure that future EU regulation minimises burdens and maximises opportunities.

Growth and Prosperity

Councils are recognised as central to economic growth.

This includes:

- leading a campaign to ensure that the local levers of growth are unfettered
- supporting the development of new planning powers, to achieve wellbeing and growth in local communities
- supporting councils to deliver the new housing strategy
- supporting councils in developing innovative funding for economic infrastructure
- representing councils' interests with reform of the EU structural funds
- lobbying to ensure councils are better able to influence local transport provision
- supporting councils in hosting and engaging communities in a safe and exciting 2012 Games, to deliver wider benefits for the whole country
- promoting and developing councils' role in the visitor economy
- supporting councils as they lead the national roll-out of superfast broadband
- working with government, industry and councils to ensure the Green Deal and new statutory responsibilities on home energy work for councils
- working with councils to strengthen community resilience, including understanding the underlying causes of the civil disturbances in the summer
- working to ensure regulatory services can remain flexible and accountable to the needs of local businesses and local communities
- supporting the development of members and officers in driving the economic potential of their areas.

Funding for local government

Reform of the public sector finance system so councils raise more funds locally, have confidence their financing is sustainable and greater ability to co-ordinate local public services.

This includes:

- the Resource Review, so that investment is focused more effectively on the local areas which most need it
- leading and shaping the debate on the Dilnot Commission's recommendations on the future funding of care and support
- lobbying for welfare reform, in the interests of improving services to local communities and to support local employment
- supporting the creation of a collective agency to help councils reduce their borrowing costs by using the bond markets
- working to achieve equitable needs-based funding arrangements that are fair to local government in all parts of the United Kingdom.

Efficiency and Productivity

Councils dramatically reduce costs in ways which minimise the impact on the quality of life for their residents.

This includes:

- helping councils save at least £150m over the next 3 years by supporting pathfinder programmes, productivity master classes and good practice
- roll-out of the capital assets programme with a particular emphasis on councils using their assets to generate economic growth
- lobbying and leading support for councils with waste and recycling including collection, infrastructure planning and delivery and waste minimisation
- providing free of charge tools such as LG Inform to allow councils to benchmark costs and performance information against other authorities
- continuing to support the Creative Councils programme to help councils turn their ideas into action and share the outcomes with the rest of the sector
- supporting councils to develop on the type of workforce they will need in five years' time helping them with reward, motivation and improved performance
- supporting councils and fire and rescue authorities to respond to civil emergencies

Sector-led improvement

Councils are the most improved part of the public sector.

Local politicians and senior managers lead the transformation of local places.

This includes:

- a programme of over 100 peer challenges in each of the next three years for councils and fire and rescue authorities
- maintaining an overview of the performance of local government and providing tailored support to councils that face significant challenges
- support to enhance councils' accountability to local people including support to strengthen scrutiny working with the Centre for Public Scrutiny
- an improvement programme for children's services
- working with councils to develop an improvement model for adult social care through Promoting Excellence in Adult Social Care
- support to councils to modernise and improve public libraries and programmes for culture, tourism and sport services
- ensuring that international practice is available to support service improvement in the UK and abroad
- providing a range of development programmes for elected members, and one free/subsidised place for every council for each of the next three years
- offering every council over the next three years a member development workshop to support councils to become "champions of their patch"
- working with the national parties and others to increase the diversity of people standing for public office through our "Be A Councillor" programme
- offering member mentoring free of charge for any council where there is a change of political leadership
- providing development programmes which bring together elected members and officers through programmes such as our Leeds Castle programme
- attracting new talent into the public sector through programmes such as the National Graduate Development programme.

Our own effectiveness and efficiency

The LGA is the single voice of local government, representing every local authority and locally democratically elected representatives across England and Wales.

This includes:

Membership

- increasing membership levels amongst local authorities in England and Wales and providing a membership body for Policy and Crime Commissioners
- improving engagement and building strong and productive relationships with councils and groupings of councils – this will be the focus of a member scrutiny review
- acting as conduit between local authorities and central government to ensure a local perspective to emerging policy debate
- securing amendments to emerging legislation and running effective campaigns that deliver real change and improvements for our membership
- developing our suite of communications to provide clear, relevant and up to the minute information that councils value and use
- enhancing benefits and reducing the cost of membership.

Business management

- reviewing our costs with a view to achieving a significant reduction in overheads – this is also the focus of a member scrutiny review
- focusing on value for money, transparency and accountability
- supporting our employees through regular appraisal and investment in their development.

Outline budget 2012/13

	Pay £m	Non-Pay £m	Total £m
Subscriptions			10.0
RSG England			25.5
RSG Wales			0.3
Specific grants and other ring-fenced funding			8.5
Other income (conferences, seminars, sponsorship)			2.0
Rental income			1.0
Other			1.0
Possible carry forward of prior year underspend			1.4
Total income			49.7
Political support and governance	1.7	1.4	3.1
Programme teams	4.6		6.4
Leadership and Productivity	4.4		9.4
Workforce	1.8		2.8
Policy and Delivery	10.8	7.8	18.6
Strategy and Communications	2.2	2.5	4.7
Total operational costs	14.7	11.7	26.4
Specific grants and other ring-fenced funding	2.8	2.8	5.6
Strategic Management Board	0.7	0.1	0.8
Finance and Resources	1.0	-	1.0
Liberata shared service	-	6.8	6.8
Accommodation	-	2.8	2.8
Other overheads (audit, insurance etc)	-	1.7	1.7
Pensions - past employees	-	0.9	0.9
Pensions - additional contribution	-	3.7	3.7
Total overheads	1.7	16.0	17.7
Total expenditure	19.2	30.5	49.7

Our Corporate Indicators

	Target 2012/13 (TBC)	Baseline
Membership	September 2012	September 2011
Total membership	422	422
People Management		September 2011
Employees – total headcount	307 (269 estabd posts + posts for grant-funded programmes)	307
Average sick days per employee for 12 months	Maintain or improve (public sector av 9.6 days; local govt av 10.3 days)	4.5 days
Workforce profile		
BME employees % of the workforce		17%
BME - proportion of employees Grade 6 and above	Increase % of BME employees grade 6+ in line with workforce	5.9%
Employee engagement	Survey during 2012	Survey July 2009
Satisfied with their job	Maintain or improve	79%
Good place to work		66%
Kept well-informed		80%
Line manager helps them achieve their potential		61%
Organisation is committed to equality and diversity in its services		69%
Organisation is committed to equality and diversity in its employment practices		66%
Debtors	March 2013	March 2011
0 – 2 months	80%	56%
3-12 months	20%	10%
13-24 months	0%	14%
Over 24 months	0%	20%
	100%	100%
Liberata customer satisfaction	Survey Nov 2012	Survey Nov 2010
HR and Payroll	80%	66%
Finance and accounting	80%	72%
ICT	80%	58%
FM	80%	80%
Print and design	80%	68%
Overall	80%	61%
Carbon emissions	March 2013 reduce by 6% from 07/08 baseline of 1,450 CO2 tonnes	March 2011
	1,363	1,373

Future arrangements for Audit

Purpose of report

For discussion and direction.

Summary

This report updates members on the current position with regard to the Government's proposals for the future of local public audit and invites members' views.

The report also updates members on the current procurement process and the option of three or five year contracts.

Julie Carney, Deputy Director, Local Government Policy and Productivity, DCLG will attend the meeting.

Recommendation

Members are invited to comment on the Government's proposals.

Action

Officers to pursue in the light of members' comments.

Contact officer: Nick Easton
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Future arrangements for Audit

Background

In 2010 the Secretary of State announced plans to disband the Audit Commission and refocus audit on helping local people hold councils and local public bodies to account for local spending decisions – including giving councils the freedom to appoint their own auditors from a more open and competitive market.

In summary the Audit Commission's responsibilities for overseeing and delivering local audit and inspections will stop; the Commission's research activities will end; audit functions will be moved to the private sector; councils will be free to appoint their own independent external auditors from a more competitive and open market; and there will be a new audit framework for local health bodies.

On 30 March DCLG published a consultation paper on the future of public audit, available to view via:

<http://www.communities.gov.uk/publications/localgovernment/localpublicauditconsult>

The LGA welcomed the proposals to allow councils to appoint their own auditors and whilst acknowledging the need for appropriate safeguards to preserve the independence of audit expressed concern that the new approach should not become over regulated and prescribed. Specifically the proposal for statutory audit committees with a majority of independent members was regarded as both excessive and unnecessary. A summary of the key points of the LGA response is **attached**.

Developing proposals on the future of local public audit:

DCLG has published a response to the responses it received to the consultation. The response sets out the key themes and views expressed during the consultation and what the Government now proposes for the future of local public audit. A copy is here <http://www.communities.gov.uk/news/corporate/2060456>

In summary the DCLG paper confirms that, with regard to Audit:

- Councils will be under a statutory duty to appoint an auditor from the register of local public auditors;
- The appointment must be made by full council on the advice of an Independent Audit Appointment Panel (IAAP);
- The IAAP will be independently chaired with a majority of independent members;

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Item 2 (b)

- The requirements will be framed in a way to allow local public bodies to share appointment panels (and therefore independent members) to ease the administrative burdens and reduce costs;
- The Government will prescribe specific functions to the IAAP around advising on auditor appointment, independence, removal and resignation and in relation to public interest reports – but there will flexibility to expand the remit of Panels to respond to local circumstances;
- Councils will be required to appoint an auditor by 31 December in the preceeding year and to notify the Secretary of State if they have not done so;
- Councils will be required to run a procurement competition for audit services at least every five years;
- There will be rigorous, transparent processes for auditor resignation or removal which broadly mirror those in the Companies Act;
- The current scope of local public audit will be retained – including the current Value for Money component – although the document signals that the Government believes this could be delivered in a more risk based and proportionate way;
- Further consideration will be given to proposals for the future audit of smaller public bodies, which will be set out in Spring 2012.

On grant certification the paper signals that, following the closure of the Audit Commission, grant paying bodies will need to develop new arrangements for certification – which could include self-certification.

As regards national value for money studies the paper indicates the Government's view that there is scope for rationalising the number of studies relating to the local public sector and that it would like to see the development of a coherent programme across providers including NAO, Government, and the LGA.

Comment: Whilst the LGA has welcomed the proposal to allow councils to appoint their own auditors it is clear that this is still some considerable way off and will, in practice, depend on the length of the contracts issued as a result of the current procurement process (see below).

Proposals around the appointment of auditors confirm our earlier concerns that the new approach is in danger of becoming over regulated and unduly prescriptive. However DCLG intend to ensure the new arrangements are flexible enough to allow councils to share appointment panels and undertake joint procurement exercises. DCLG also intend to work closely with the sector to ensure the arrangements are as straightforward as possible.

There also appears to be some prospect of helpful changes on grant certification and value for money – though this too will depend on the detail.

Item 2 (b)

Next steps: Government intends to publish a draft Bill for pre-legislative scrutiny in Spring 2012. In the meantime DCLG plan to hold further discussions with local public bodies to flesh out the underlying detail of the framework and how it might be implemented. DCLG are currently working with regional LGAs/improvement organisations to arrange some discussions during January – details of which have been circulated separately to Board members.

Audit procurement

Government has decided that the best route for transferring the Audit Commission's audit function to the private sector should be by way of outsourcing the work.

Sir Bob Kerslake wrote to Chief Executives on 28 July explaining that DCLG has been considering how long the outsourced contracts should be - with options ranging from three to five years from 2012/13. Whilst longer contracts might achieve greater value for money they would also delay the point at which councils would be free to appoint their own auditors (if the contracts were for five years then the first year for which councils will have been able to appoint their own auditors will not be until 2017/18).

The Audit Commission has launched the process for outsourcing the work of its Audit Practice. Further details are here <http://www.audit-commission.gov.uk/aboutus/future/pages/timetable-for-outsourcing-process.aspx>

The Commission has invited 13 potential providers who have met the pre qualification requirements to tender (more than twice the number currently in the market). Deadline for tenders was 16 December – following which a decision will need to be taken about whether to go for 3 or 5 year contracts. Formally speaking this is for the AC Board – in discussion with DCLG – but Sir Bob Kerslake's letter indicated that “we want to talk to the sector about this trade off (*between earlier ability to appoint auditors and potentially lower fees*) once we have a better sense of the difference this makes to audit fees.”

Once the audits have been outsourced the Commission will be further reduced in size to become a small residuary body responsible for overseeing the contracts and making any necessary changes to individual audit appointments during the life of the contracts.

An update on the progress of the procurement process will be provided at the Board meeting.

Recent Audit Commission reports:

Audit Commission report: “Tough Times” This Audit Commission report published on 17 November provides a comprehensive picture of how councils are responding

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to the current financial climate. The report found that despite the challenges most councils were coping well and auditors expected 90% of councils to balance their 2011/12 budget.

<http://www.audit-commission.gov.uk/nationalstudies/localgov/Pages/toughtimes.aspx>

Auditing the Accounts 2010/11 This Audit Commission report published on 15 December found that overall councils maintained their standard of performance on financial reporting for 2010/11 and that this was a notable achievement given that they had to face the challenge of preparing their accounts for the first time in accordance with the International Financial Reporting Standards (IFRS). The audit opinion was issued by 30 September 2011 at 328 out of 356 councils (compared with 329 last year).

<http://www.audit-commission.gov.uk/pressoffice/pressreleases/Pages/auditingtheaccounts1011pr.aspx>

Financial Implications

There are no additional financial implications for the LGA arising as a result of this report.

Annex A

**LGA response to DCLG consultation paper on the future of local public audit -
summary of key points:**

- Future arrangements for the Audit Commission's activities need to be set within the context of the Coalition Government's approach to transparency and stronger local, rather than national, accountability.
- External audit makes an important contribution to the stewardship of public resources, but the current arrangements can be improved.
- Councillors, local people and communities should be the primary audience for audit and a simpler and more easily understandable framework for published accounts is required.
- We welcome the proposal that councils should appoint their auditors.
- We fully acknowledge the need for appropriate safeguards to preserve the independence of audit and ensure public trust in the process and outcomes is not jeopardised. But at the same time we are concerned that the new approach to audit does not become over regulated and prescribed through Government guidance
- Audit Committees - This proposal is both excessive and unnecessary. It is reminiscent of the standards committees which the government recently recognised were overly bureaucratic and runs contrary to the Government's agenda around devolution and localism. Moreover there will still be a regulatory framework including the registration of auditors and monitoring of the quality of audits.
- Procurement: There needs to be sufficient flexibility in the arrangements for procuring audit to enable a number of organisations to work together to jointly procure audit across a local area.
- Scope of Audit: The scope of audit should in future be more tightly focussed around the accuracy of the financial statements and issues of probity (that the authority's financial activities are materially free from fraud and corruption).
- The new arrangements must deliver a competitive market. This is more likely where future arrangements do not dissuade smaller audit firms from entering the market.
- There is a need for greater clarity around the timescales for when councils will be able to appoint their own auditor.

LG Inform Progress Report:

Purpose of Report

The purpose of this report is to update the Board on the progress made to date, before presenting a demonstration of LG Inform, and inviting comment from the Board on the service and its planned future direction.

Summary

The purpose of this report is to update the Improvement Programme Board on the LGA's data service for councils and fire and rescue services/authorities, known as Local Government Inform (LG Inform). The Board is the 'sponsoring body' for this programme of work.

This item in the agenda will take the form of a presentation by Juliet Whitworth and Ian Carbutt, who will update the Board on progress with the LG Inform programme, future plans, and provide a demonstration of the tool.

Recommendations

The Board is asked to note the LG Inform programme of work and the progress that has been made in delivery of this programme to date, and to comment on or make recommendations about plans for its future direction.

Action

The Research and Information Team and the Digital Communications Team will continue to develop the LG Inform programme in line with feedback from the sector, and any recommendations made by the Board.

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LG Inform Progress Report: January 2012

Background

1. Local Government Inform (LG Inform), the LGA's online data service for councils and fire and rescue services/authorities, was launched as a prototype in July 2011.
2. Since then we have improved the performance and content of the service and application. In November the live system was updated and new online resources made available. For example:
 - 2.1 additional metrics – over 650 data items are now available, including finance
 - 2.2 a range of 'How to' guides (www.local.gov.uk/about-lginform) to help new users
 - 2.3 themed LG Inform reports (such as waste, children's services, planning)
 - 2.4 improvements including PDF printing
 - 2.5 faster access to the metrics library and headline reports.
3. We believe that these will enable councils and fire and rescue services/authorities to get more from the prototype, but we have ambitions to give them more. We are currently in the middle of the tender process for 'Prototype Plus'. We are aiming to have this available in the summer of 2012, and it will build upon requirements specified by the sector, for example, "in year data", local metrics and a configurable dashboard.
4. As part of the next phase, we are also hoping to make key elements within LG Inform, such as the standard report for each data item, available to the public. This will help councils meet the code of practice on transparency.
5. We are particularly focussed on making LG Inform sector-led, and we continue to work closely with councils and fire and rescue services. Our learning group of 11 councils and fire and rescue services meets at key points to give us feedback, act as a sounding board and conduct user testing. We are also regularly meeting groups of councils and fire and rescue services in the regions to promote and champion LG Inform. To date we have had over 100 written inputs that have been acknowledged and incorporated into the process to develop the specification for the next phase.
6. At this point, we have over 1,000 registered users, from across 300 organisations.

Update on Transparency and Open Data Measures

Summary

This report gives an update on recent developments and ongoing work on transparency, and the November announcement by government on open data measures published on <http://www.cabinetoffice.gov.uk/news/open-data-measures-autumn-statement>.

Recommendations

The Improvement Programme Board is asked to confirm the continued need for us to address this newly emerging and expanding area of policy and agree the suggested work plan at **paragraph 10** should be a priority for the work of the Research and Information Team subject to sufficient resources being made available.

Action

The Research and Information Team will continue to develop the programme in the light of the Board's views.

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Update on Transparency and Open Data Measures: January 2012

1. This report gives a brief update on data transparency and policy issues since the last Improvement Programme Board in November, and outlines some key work priorities for the next 12 months.
2. The Local Government Association has submitted a response to the *Making Open Data Real* consultation and the *Public Data Corporation* consultation. In our response, we supported the principle of transparency, but set out clearly the need for transparency to be driven locally, based on local needs and demands instead of centrally-driven prescription of technical requirements.

Open data measures

3. There is a continued push by the Department for Communities and Local Government (DCLG), Cabinet Office and the Information Commissioners Office (ICO) to make the release of open data mandatory, which was recently boosted by the decision in Europe to change the Public Sector Information Regulation in favour of more open data. As part of the autumn statement, government released further details on 'open data measures', without much consultation of the sector. These can be seen at:
http://www.cabinetoffice.gov.uk/sites/default/files/resources/Further_detail_on_Open_Data_measures_in_the_Autumn_Statement_2011.pdf. The document indicates a range of measures for opening up data which affect local government and include:
 - 3.1 social care data in form of social care accounts to compare councils' social care provision
 - 3.2 road works, historic road conditions, and traffic management data held by local authorities
 - 3.3 bus timetable information
 - 3.4 releasing restrictions on public rights of way data easing open data use
 - 3.5 release address gazetteer data for testing and evaluation.
4. In response to the *Public Data Corporation* consultation, central Government will set up a Public Data Group consisting of the following trading funds: Land Registry, Ordnance Survey, Met Office and Companies House. A Data Strategy Board will be responsible for the commissioning and purchase of data for free release, leveraging expertise from customer groups such as the proposed

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Geographic Information Group. The Public Data Group will be made responsible for pursuing greater efficiencies in providing data and their pricing. Local government will have to play a vital role in the Data Strategy Board as they are a large user and purchaser of data, in particular related to Land Registry and Ordnance Survey.

Impact on local government

5. The measures place continued pressures on local authorities to publish data for free and ignore the cost to local authorities for making the data available. On several occasions, local authorities have expressed their concern at the cost implications of making the publication of data in open reusable formats mandatory, as proposed in the *Code of Recommended Practice on Transparency for Local Government*. Many documents and data are held in other than reusable formats, and converting them to meet requirements would add unnecessary burden to already severely strained local public resources. Requests for open reusable data have been limited, and in most instances they have come from organisations to further their commercial interest rather than from citizens in the wider public interest.
6. We continue to make clear that the decision to open data or to levy charges should be taken locally. In line with existing information regulations, local authorities should have the freedom to charge for data to cover minimal cost recovery. It is essential that the Government's policies avoid placing unfunded new burdens on local council tax payers while users elsewhere may benefit financially from such use. It is vital that local authorities preserve the right to decide on the balance between charging for local data, and providing data free of charge out of local taxation revenue unless open data is funded from elsewhere.
7. We are also working with the sector and central government to find adequate ways of publishing open data. We recently surveyed local councils' websites to see how far they comply with the *Code of Recommended Practice for Local Government on Transparency*, published by DCLG. A total of 88 per cent of authorities surveyed have updated their spending data in line with this code of practice and 67 per cent publish senior salary data. In addition, 46 per cent publish that data on data.gov.uk, and many more publish the data in line with the open government licence. Furthermore, Directgov is providing a link to local authority spending data without requiring lengthy searches of websites:
http://www.direct.gov.uk/en/HomeAndCommunity/YourlocalcouncilandCouncilTax/YourCommunity/DG_196382.

Transparency outside local government

8. Much of the pressure for publishing data is falling on local authorities. However, it

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has become apparent that there is other useful public sector data available to which councils do not have access. For example, the Department for Work and Pensions (DWP) is restricting access to the performance data of the partners contracted to deliver the 'National Work Programme' (A4E, Serco *et al*). A number of authorities have expressed disquiet at this, as this is important information at a time in which authorities are striving for economic development and growth.

9. We feel it is important to be seen to be campaigning for the sector on open data, alongside our other work, much of which is defending the sector. Identifying useful public sector data, to which councils do not have access, will be a lobbying objective for the coming year; and the recently published document, *Information Principles for the UK Public Sector*, which is targeted at making government departments more open, should be a useful driver:
<http://www.cabinetoffice.gov.uk/resource-library/uk-government-ict-strategy-resources>.

Suggested work plan

10. In response to the emerging data policy paper presented at the last Improvement Programme Board, we have identified the following key issues that need to be prioritised over the next 12 months:
 - 10.1 engage with government departments including DCLG, BIS, Cabinet Office and ICO to explain our position on transparency, lobby for local government representation on key strategy boards and to influence policy decisions in favour of local government;
 - 10.2 review existing guidance on salaries and spending and develop new guidance on community and voluntary services and public land and property assets;
 - 10.3 identify compliance with the *Code of Practice on Transparency for Local Government* and identify best practice;
 - 10.4 continuously review the Single Data List and ensure that the burden to collect data is minimised;
 - 10.5 engage with members to seek their views on transparency in collaboration with Cllr Cheetham, and develop an overarching transparency policy;
 - 10.6 work with the sector to identify best practice and promote open data where an overall local government approach may lead to benefits;

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10.7 lobby for access to other public sector data that councils would find useful;

10.8 continue work with DEFRA on an impact assessment of INSPIRE (European regulation that requires authorities to publish certain data with location/geographical information to specific standards, which are likely to have cost implications for councils), including working with councils to assess their readiness and identify best practice

11. Work is already in progress on some of the above recommendations, such as a meeting with Cabinet Office to explain our transparency position and seek more widespread support and understanding for the unnecessary burden placed on local authorities through centrally stipulated technical open data requirements and licensing.

Financial implications

12. As indicated previously this area of work has become much more significant for the sector over the last year and is likely to remain so for 2012/13 onwards. This will undoubtedly have an impact on the work of the Research and Information Team. We are considering how we can prioritise this work and will need to ensure we have adequate resources available through the business planning process for 2012/13 if we are able to deal with the ongoing and emerging data policy agenda effectively.

The National Graduate Development Programme (NGDP)

Purpose of Report

For discussion.

Summary

The purpose of this report is to update the Improvement Programme Board on the National Graduate Development Programme (NGDP), the progress made and how significant savings of £480,000 on 2010/11 costs will be achieved by changes to the marketing and recruitment process (reducing these costs by 39%) and by replacing the University of Warwick development programme with a more practical based alternative.

Recommendation

The Board is asked to note the progress made in developing and delivering this programme.

Action

The Leadership & Localism team will continue to develop and deliver the NGDP in line with progress made, subject to any comments from the Board

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Leadership: Report On The National Graduate Development Programme (NGDP)

Background

1. The NGDP is a two-year graduate management development programme set up to provide local government with a pool of high-calibre managers to provide the future leadership their communities need. It provides graduates committed to public service the training and development opportunities they need to make a positive impact both during the programme and in their later careers.
2. The programme framework is built on a series of placements in key areas within a council and offers a range of experiences and challenges. All of which will provide a broad understanding of different aspects of local government in strategy, front-line service and support. Although employed by a participating authority on a 2-year, fixed-term contract, graduates also benefit from being part of a national programme group, giving them the opportunity to participate in a national induction event, join an established knowledge-sharing network and take part in a series of learning and development components.
3. Since 2002 over 450 graduates have completed the programme and many now hold influential managerial and policy roles. They form a large pool of alumni and a potentially valuable tool in promoting the value of both the NGDP and the LGA more generally. The scheme is currently rated 49 in the Times Top 100 Graduate Recruitment list.
4. Whilst the programme has undoubtedly been successful and highly regarded in many quarters it was also relatively expensive. As a result of the reductions that all parts of the organisation have had to meet, the NGDP was no exception and savings of £480,000 were made in the budget for the NGDP programme for 2011/12. This has meant a rethink about how some aspects of the programme could be delivered in the future. This report sets out the steps taken to reduce the costs of the programme but also to maintain a viable programme and bring about improvements where possible.

An Overview

5. Trainees are recruited in annual cohorts each with a three year life-cycle which divides into two stages:

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- 5.1 Stage 1: Marketing/Promotion, Recruitment and Selection. (1 Yr: commencing October with appointments May - July). Those shortlisted by the selection process have final interviews with the participating councils;
 - 5.2 Stage 2: Placement and Development (2Yrs: commencing July / October following appointment). Trainees undertake a series of placements and projects within the employing council and participate in a national development programme organised by the LGA.
6. This cycle means that at any particular point the programme team could be working with three cohorts. The current position is:
- Cohort 12 82 trainees appointed Autumn 2010, currently completing their development programme at University of Warwick. Will complete their placements in Autumn 2012.
 - Cohort 13 47 trainees appointed Autumn 2011, currently on placement and will be undertaking a new development programme which starts in April 2012.
 - Cohort 14 Applications will close 16 January 2012, selected trainees will begin their placements and development programme in autumn 2012.
7. The drop in numbers recruited in 2011 was largely due to uncertainties because of the general financial situation. However the number of applications has remained fairly constant, around 2,000 – 2,500 for cohorts 12 and 13.

Changes to Stage 1: Marketing and Selection

8. Significant changes have already been achieved by more focused marketing and by bringing some activities in-house. These include managing the website, the on-line application form and the short listing process. Table 1 below compares the marketing, recruitment and selection costs of Cohort 12 and 14.

Table 1: Comparison of Costs for Stage 1

Activity	Cohort 12 (2010)	Cohort 14 (2012)	% saving
Marketing	£50,000	£45,000	10%
Short listing	£66,000	£12,000	82%
Assessment and Interview	£45,000	£40,000	11%
Total	£161,000	£97,000	39%

Changes to Stage 2: Placement and Development

9. To date there have been three elements to the development programme itself. Previous cohorts, including Cohort 12, have undertaken a six module post-graduate diploma course provided by the University of Warwick. There has also been an Induction module at the start of their placements and a series of Skills modules aimed at developing their personal and practical skills sets.
10. With the reductions in the overall budget it was clearly impossible to continue to provide free of charge for graduates the Diploma. Questions had also been raised about the “academic” content of the Diploma compared to the practical development they need.
11. The development programme is being restructured into a four module programme which will focus much more on the practical skills and understanding they will need to contribute effectively during their placements and in their local government careers. It will also include action learning sets to support the application of their learning to the work environment. The contracts for delivery are currently out to tender, the aim is to provide a balance of practical application and intellectual challenge. The programme will be accredited by the Institute of Leadership and Management (ILM) as a Level 7 Certificate in Strategic Leadership. The accreditation will be delivered through SOLACE Enterprises. A further key change is to ensure that the graduates get a wider experience of dealing with politicians by making use of our member peers on some of the modules.
12. It is anticipated that these changes will again give significant savings as can be seen by comparing the costs of Cohort 12, the last cohort to go through the Warwick Diploma programme, and the projected costs of Cohort 13 which will commence the new programme in April 2012 (see table 2 below). Given the variation in the number of trainees placed the total cost per trainee is also shown.

Table 2: Comparison of Costs for Stage 2

Activity	Cohort 12	Cohort 13	% saving
Induction	£45,000	£20,000	55%
Development Programme	£522,700	£150,000	72%
Skills Modules	£18,000		
Total	£585,700	£170,000	71%
Total per trainee	£7,142	£3,617	49%

Other Changes and Developments

13. More emphasis will be placed this year in promoting the value of the NGDP to councils in order to increase both the number and spread of trainee placements. For historical reasons and because of the concentration of large single-tier councils, there is a disproportionate number of placements in the London region. Nearly half of the 25 councils with Cohort 13 placements are London Boroughs and they account for 27 of the 47 trainees. There is a long-term risk that the NGDP becomes seen as a London-centric offer which would be detrimental to both the scheme and the LGA. For this reason the promotion drive will focus on councils outside London, particularly those that have participated in the past or that have their own internal graduate recruitment schemes.
14. Through focus groups and discussion forums we are seeking to involve other key players in determining the longer-term future and focus of the NGDP. These include SOLACE, iMPOWER and participating local authorities. A key consideration here is to clarify what sort of leaders will be needed for senior management positions in the future if local government as a sector is to meet the changing needs of its communities both in terms of their background and their training and development. We are also involving the LGA Workforce and Communications & Marketing teams in this discussion.
15. As a result of these discussions we are about to publish *A Brighter Future*, a document which will promote the NGDP and explore the options for its future development.

Conclusion and next steps

16. Overall the changes to the NGDP will have made a saving of nearly £480,000 over the 2010/11 costs (over 60%) by the time they are all in place in 2012/13.
17. The development programme to be offered to the trainees in 2012 will be much more focused on the practical skills they need to contribute effectively within their councils.
18. The debate we have started will identify the longer-term need of the sector and enable us to make further changes to the NGDP so that is directed to meeting those needs.
19. The Board is asked to note these developments and the direction being taken.

Financial Implications

20. The implications for the current financial year have already been allowed for in the service planning process. Further changes will be reflected in the 2012/13 service plan as it is developed.

Productivity Programme – *Better with Less* Programme Update

Purpose of report

For discussion and direction.

Summary

The Productivity Programme was established with the aim of:

- supporting councils to improve productivity;
- bringing councils together to share innovation and learn from each other; and
- engaging central government and partner organisations in a debate about longer term, more radical options to improve productivity.

This report updates members of the Improvement Programme Board with the progress made on delivering the Productivity Programme.

Recommendations

1. Note the progress made in the delivery of the productivity programme.
2. Comment on initial proposals for the 2012/3 programme (para 19).

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Productivity Programme – *Better with Less*

Background

1. The Board approved a range of productivity initiatives at its meeting in November structured around the 3 'big win' areas of:
 - 1.1 Procurement and Capital Assets
 - 1.2 Children, Adults and Families and
 - 1.3 Future Ways of Working.

Procurement and Capital Assets

2. Work is progressing well in this area, with a number of initiatives commencing since the last report, of particular importance is the progress made by the capital asset pathfinders and the launch of the waste innovation pilot.

Procurement

3. We have held the inaugural meeting of the National Advisory Group for Local Government Procurement (NAGLGP). The Group includes senior and operational representatives from a wide range of councils. The first meeting agreed to take forward a number of actions on behalf of the Improvement Programme Board including:
 - 3.1 publishing (on 15 December 2011) a guide to EU procurement (*Buying into Communities*) to dispel procurement myths and promoting these messages;
 - 3.2 examining the impact of the Localism Bill on procurement initiatives that support the local economy; and
 - 3.3 the tools and resources to share good procurement practice.
4. NAGLGP will also oversee the recently launched category management pilot programme. The programme looks to develop the category management approach in areas such as strategic commissioning and construction. A Prospectus was launched in December inviting bids from the sector, with a deadline of 12 January 2012. We will update the Board on the submissions at the meeting.

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5. As agreed at the last meeting we have also commissioned the development of the business case for a procurement hub. The work is being led by Andrew Smith, the Chief Executive of Hampshire County Council with input from Local Partnerships and the Productivity team and the private sector.

Waste Management

6. We have launched a 12 month pilot project to find a council to trial the use of food waste disposers in residential kitchens and therefore take food waste out of the residual waste stream. The project will:
 - 6.1 convene a steering group of regulators and government departments to identify technical, regulatory and legal barriers;
 - 6.2 develop a pilot project to test these barriers and provide the evidence base for future action;
 - 6.3 bring together all the pertinent organisations with an interest in this area to ensure activity is coordinated; for example DEFRA, Environment Agency, Office of the Water Regulator (OFWAT), local authorities and water companies; and
 - 6.4 calculate potential cost-savings to local authorities from promoting macerators as a means of food waste disposal.
7. A number of councils have already expressed an interest. Discussions have also taken place with a number of the water companies and we will update the Board on progress at the meeting.

Capital Asset Pathfinders

8. The Wave 2 Capital Asset Pathfinders are due to submit their final business cases on 6 January 2012. Analysis of the business cases in Wave 1 has suggested that strong progress is being made by the pathfinders and most are on track to deliver savings of 20 per cent NPV and 25 per cent reduction in CO₂ over a 10 year period. However, it is apparent that some of the pathfinders will require more support to do this and we are considering how best to achieve this.

Children, Adults and Families

Adult Social Care Efficiency programme (ASCE)

9. The ASCE programme has been launched and has gained significant attention from councils. The Department of Health (DH) agreed to match fund the LGA's £300,000 for this programme, allowing us to support up to 30 councils.

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10. The standard of application was high. The 52 applications comprised 47 individual council applications, two joint bids covering 4 authorities, one regional bid and two sub-regional bids. Applications were received from a range of councils, from smaller unitaries with budgets c.£30m to large counties with budgets c.£300m. There was a broad regional spread of applications, with the largest number from London, the North West and North East.
11. Just under half the applications outlined proposals as envisaged in the programme prospectus, i.e. a whole system efficiency review. Of the other applications, most retained an efficiency focus but narrowed this to specific areas. Key themes emerging across the bids were:
 - 11.1 Tackling the cost of high cost LD placements;
 - 11.2 The interface with health care;
 - 11.3 Preventative services and telecare; and
 - 11.4 Commissioning
12. Progress on all of these issues will be reported orally at the meeting.

Children, young people and families

13. Members will be aware that officers have secured £282k funding from the DfE to lead the commissioning and productivity support on behalf of the Childrens Improvement Board (CIB). The contract for this work has been let to Springboard Consortium who will begin delivery in early January. Springboard will build on the work undertaken by the Commissioning Support Programme, C4EO and others working to improve outcomes for children and families. Their knowledge and network experience means they are able to mobilise quickly in the New Year and focus on early priorities. These include identifying commissioning champions to reflect local priorities and working with National Youth Association to support commissioning in youth services.
14. Delivery of this work will be informed by the regions and the national Commissioning and Productivity Forum, facilitated by the LGA. Priority service areas include schools and SEN, placements, prevention / early intervention and youth services.

Future Ways of Working

15. This aspect of the programme has been well received by councils with a number coming forward to take-up the initiatives on offer.

Shared Services

16. The LGA's shared services web resource and shared services map has been updated and revamped¹. This work highlighted that at least £160m of saving have been delivered to date and that district councils lead the way with shared services, particularly for corporate and back-office services. There has been a high level of interest in the shared service map from councils, partners and the local government press with coverage in both the MJ and LGC at the start of December.
17. We have commissioned two pieces of research looking at shared services. The first, due to report at the end of January 2012 looks at why some shared management initiatives succeed and others do not. The second, due to report at the beginning of April looks to assess whether the financial and service improvements envisaged by shared services have been delivered and will provide a tool for councils to use to help them to project manage and evaluate the success of their shared services.

Productivity Experts and Masterclasses

18. We have received a number of requests to deliver Productivity Masterclasses with councils and these are planned to be delivered within the next few months. Areas to be covered with the councils include shared services, economic development, service transformation and procurement. We are already delivering 3 of the planned 6, Productivity Expert support to councils, covering contract renegotiations and capital and assets and Adult Social Care (two councils will be funded from this programme as an alternative to the full funding available from the ASCE).

2012/13 Productivity Programme

19. Subject to decisions on next year's budget, officers would like Improvement Board members' steer as to a productivity programme for 2012/3. Provisional thoughts are:
 - 19.1 ***Capital Assets***

After two waves of Pathfinders involving 26 councils covering a third of the country, it is timely to review how best to develop this work. Crucially it is important that councils not only reduce their running costs and raise capital receipts, but that they also achieve regeneration and economic growth where possible. Accordingly it is proposed that a smaller number of councils be identified to give additional support to in order to achieve that objective.

¹ National map of shared services - <http://www.local.gov.uk/better-for-less-po-map>

19.2 ***Adult Social Care***

Originally it had been envisaged that there might be a second wave of councils invited to partake in a similar initiative. However, the overwhelming support for the programme, and the additional resources available, argue for a more thematic approach to be taken in 2012/13. A focus on personalisation, or re-ablement services, for example, might provide much needed best practice intelligence for the sector, in an area where both costs and demand are rising strongly.

19.3 ***Shared Services***

Sharing services across councils continue to offer significant savings. We are considering supporting groups of councils with the intellectual, technical, legal and financial know how to share services with each other where this will deliver savings and promote good local customer focused services. We also plan to continue the approach of evaluating established shared services to ascertain the actual level of savings and service improvement delivered.

20. Members' thoughts on these issues, and any other proposals, would be most welcome.

Financial Implications

21. The business plans for 2011/12 includes resources to develop a programme to support councils improve productivity. This includes providing support to the next stage of the Capital & Assets Programme. Capacity to support the programme has also been built into the new LGA structure and budgets.
22. Further grants have been received to support the programme's work including a contribution of £300,000 from the Department of Health to support the Adult Social Care Efficiency Programme and £296,000 from the Children's Improvement Board to support efficiency improvements in children's services.

Creative Councils Update

Purpose of Paper

For discussion and direction.

Summary

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

Recommendation

Members are invited to comment on the update and the forward work programme of the Creative Councils initiative.

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.

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Creative Councils Update

Background

1. The Creative Councils programme is a joint programme between NESTA (National Endowment for Science, Technology and the Arts) and the LGA. As reported at previous meetings of the Improvement Board, the ambition is to work with a small group of creative, pioneering councils and their partners throughout England and Wales in developing, implementing and spreading transformational new approaches to meeting some of the biggest medium and long-term challenges facing communities and local services.
2. The 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.

Programme Progress to date

3. Phase 1 of the programme, launched in April 2011, called for councils to submit ideas for addressing some of the biggest medium and long-term challenges facing communities and local services. 137 councils offered up innovative ideas which were robustly assessed by a NESTA-LGA project team and a Creative Councils Selection Panel selected 17 of the most promising ideas with most transformative potential to receive financial and non-financial support to develop their thinking and establish the potential to spread to other areas.
4. The support package to the 17 includes a programme of events, workshops and assistance via 'point people' (appointed from the Innovation Unit) to help the councils deliver their vision. The first event, a Creative Councils Camp in Birmingham held in September 2011 provided the Leaders and Chief Executives of the 17 selected councils and idea leads to learn about support on offer to them and the potential to create and work in clusters of councils.
5. The event was also an opportunity to gain further intelligence on the ideas and the extent to which councils through to this round appeared to have the necessary conditions in place to be successful at innovation. A Creative Councils group has been formed on the Knowledge Hub to facilitate the progress of clustering, capturing of information, enhancing the involvement of the LG sector and disseminating information to a wider audience.

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6. The Selection Panel in November, having received more details of the 17 Creative Councils Action Plans developed with their appointed Point Person, agreed that all 17 will receive financial and non-financial support up until end of March 2012. Using these resources, the councils need to be able to produce/demonstrate six things:
 - 6.1 a clear description of the medium-long term challenge ('the problem');
 - 6.2 a clear description of the solution;
 - 6.3 the evidence base;
 - 6.4 a clear and convincing description of the relationship between the above;
 - 6.5 a description of the team and stakeholder relationships that need to be in place to be able to implement the solution, including a clear commitment to support implementation from the Chief Executive and Leader;
 - 6.6 the business case.
7. In addition 6 potential productivity case studies from the 17 Creative Councils (Essex, Stoke, Havering, Reading, Islington and Wigan) plus 6 from the 120 unsuccessful applicants have been identified.

Planned activities

8. In February there is to be a second 'Creative Camp' for all 17 creative councils as an opportunity to share experiences on their respective progress and any shared learning arising from four 'Inspiring Learning Events' that are taking place over the next few months.
9. The first learning event was held on 15 Dec 2011. The event attracted an audience of 40 representatives from 18 LAs and 4 organisations, of whom 16 representatives were from 7 of the Creative Councils. (Monmouthshire, Reading, Islington, Rotherham, Bristol and Cambridgeshire)
10. The event featured:
 - 10.1 Gorka Espiadu – Learning from the Social Innovation Park in Bilbao, Spain. eg. 'foldable electric cars' for hire like a 'Boris Bike'
 - 10.2 Katherine Freund – Learning from iTN in Boston USA. eg. meeting transport needs of older people via use of private car sharing

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- 10.3 Steve Rothschild – Learning from Human Capital Bond in Minnesota, USA. eg. raising social investment in ‘payment by results’ interventions
11. Arising from presentations and discussions on these international exemplars the attendees identified seven key factors as most relevant to developing innovation in local government;
- 11.1 Evidence of savings/efficiencies;
- 11.2 Coalition of interests – driver;
- 11.3 Strong leadership – scared into action;
- 11.4 Independence from government;
- 11.5 Designing ‘BIG’;
- 11.6 Bringing sectors together in a ‘neutral’ space; and
- 11.7 Local sense of belonging.
12. Members will recall that the intention is to provide more significant support for the 5 or so best ideas through a selection process that will take place around April. As part of the selection process, we are looking to hold a ‘joint’ NESTA/LGA Innovation Conference, which would provide an opportunity to hear more about the 17 ideas and for the sector to give some indication as to which ideas they would favour going forward. The event would also serve as the Board’s annual innovation conference and therefore would be open to not only the 17 Creative Councils, but to all the LG sector plus academics, innovators, private and voluntary sectors with an interest in public sector reform and innovation.
13. There will also be a workshop at LGA Annual Conference in June – Creative Councils: The Discipline of Innovation. This workshop will debate how disciplined local government is at innovating. Geoff Mulgan, Chair of NESTA Creative Councils Selection Panel, Leaders of Finalists in Creative Councils, Innovation Unit and Cllr Fleming, Chair of Improvement Programme Board will be invited to contribute.

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Conclusion

14. This is an exciting and interesting programme that offers many lessons for the LG sector in how best to innovate in meeting the requirements of Public Services Reform agenda.

Financial Implications

15. NESTA is providing £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 a sum of £750,000 from reserves to support the programme in 2011/12. The LGA will need to set aside a further £250,000 in 2012/13.

Note of decisions taken and actions required

Title: Improvement Programme Board

Date and time: Tuesday, 8 November 2011, 11.00am

Venue: Local Government House

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Attendance

Position	Councillor	Council
Chairman	Peter Fleming	Sevenoaks DC
Deputy-chairman	Ruth Cadbury	Hounslow LB
Members	Richard Stay	Central Bedfordshire Council
	Helen Holland	Bristol City
	Judith Blake	Leeds City
	Edward Lord OBE JP	City of London Corporation
	Tim Cheetham	Barnsley MBC
	William Nunn	Breckland DC
	Tony McDermott MBE	Halton BC
Substitutes	Tony Jackson	East Hertfordshire
	Peter Britcliffe	Hyndburn DC
	Jonathan Owen	East Riding of Yorkshire
	Apu Bagchi	Bedford Council
	Sir David Williams CBE	Richmond upon Thames LB
Apologies	Jill Shortland OBE	Somerset CC
	Michael White	Havering LB
	Rod Bluh	Swindon BC
	Teresa O'Neill	Bexley LB
	Jeremy Webb	East Lindsey DC
Observers/Other attendees	Philip Sellwood, Chief Executive	Energy Savings Trust
	Martin Smith, Chief Executive,	Ealing LB
	Tim Ellis, Programme Management	Kensington & Chelsea RB
	Graeme McDonald	SOLACE
LGA Officers	Dennis Skinner, Jo Miller, Brian Reynolds, Pascoe Sawyers.	

Item	Decisions and actions	Action by
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Cllr Peter Fleming, Chairman, welcomed members, observers and officers to the meeting and informed the Board of apologies received. Cllr Fleming also informed members that the agenda was organised according to the themes agreed at the last meeting.

1. Business Plan Priorities for 2011-2012: 6 month update

The Chairman introduced a report which provided the Board with a mid financial year update of the progress on the LGA's overall Business Plan that is relevant to the work of the Programme Board. A summary of progress would be forwarded to the Audit and Scrutiny Panel for their meeting in December 2011, as part of the LGA's performance monitoring arrangements.

The Board had a short discussion and concurred that the six month report was very useful.

Cllr Helen Holland requested that Board members be provided with details of any regional events that are relevant to the work of the Board.

Decision

*The Improvement Programme Board **noted** progress made against the Improvement Programme Board's 2011-2012 business plan targets as set out and **agreed** Appendix 1.*

Action

Officers to provide Improvement Programme Board members with details of relevant regional events.

Dennis Skinner

2. Leadership and Localism – progress report

Cllr Richard Stay, introduced a report which updated Board members on the LGA Leadership offer. Cllr Stay gave a short presentation which took members through the background and the current work programme. Cllr Stay was supported by Pascoe Sawyers, Principal Adviser, Leadership and Localism.

Following the presentation members made a number of detailed comments which were noted by officers. Cllr Stay and Pascoe Sawyers responded to a number of questions relating to issues including:

- following restructuring, the ability of the Association to continue to provide an extensive Leadership offer, including induction for new councillors;
- the recognition and accreditation of Leadership programmes;
- how many councillors, who have participated in Leadership programmes, are currently in active leadership roles and, similarly, how many Chief Executives are still in post;
- Members questioned whether the LGA should consider a Communications Peer review, as good communications are essential to the delivery of improved support to councils;
- the need for clarity in the LGA offer to the sector and a more deliberate connection between the training provided and the issues being dealt with.

Decision

The Board

- ***noted*** the Leadership and Localism team's programme of work and the progress that has been made in the delivery of the programme to date;
- ***asked*** that their comments be taken into account in the development of the programme.

Action

Officers to continue to develop the programme in line with the progress made and members' comments.

**Pascoe
Sawyers**

3 (a) Productivity Programme – *Better with Less* – Programme Update

Brian Reynolds, Policy and Development - Productivity, introduced a report which updated members on the progress made on the Productivity Programme and set out the LGA's offer to councils for Board approval.

With regard to the Waste Management Pioneers Programme

Brian Reynolds informed members that he will have further to report on “flush waste” in due course.

Brian also reported that the Department of Health had the previous week pledged £300,000 in match-funding for councils seeking external support in efficiency in adult social care.

Members congratulated officers on a very good report and made some detailed comments which were noted by officers.

Decisions

*The Board **agreed***

- *the direction of the Productivity Programme as set out in the report;*
- *the Programme strap-line and working definition of productivity as delivering ‘**better with less**’;*
- *that a business case for a national buying agency for goods and services be developed;*
- *the broad delivery plan set out at Appendix 1 of the report.*

Action

Officers to take forward in accordance with the decisions set out above.

Brian Reynolds

3(b) Fighting Fraud Locally [CONFIDENTIAL]

The latest embargoed copy of Fighting Fraud Locally was circulated prior to the Board meeting.

Councillor Ruth Cadbury introduced a report which updated the Board on Fighting Fraud Locally, to seek approval for joint badging and for lead members to agree the final version of the report.

Councillor Cadbury was supported by Martin Smith, Chief Executive of the LB of Ealing. Martin Smith referred to what the Government will be doing to help councils tackle fraud: creating the right incentives to reward councils that reduce fraud, removing barriers to appropriate information sharing and providing professional staff with the necessary investigative powers.

The Chairman, on behalf of the Board, congratulated members and officers for their excellent work with the NFA in developing Fighting Fraud Locally.

Board members made a number of detailed comments which were noted by officers. In particular it would be important, when the report is published, to place the issue of fraud against councils within the wider context of the totality of fraud against the public sector.

Decisions

The Board agreed

- *to joint badging of Fighting Fraud Locally together with the National Fraud Authority and other organisations;*
- *that the Improvement Programme Board Chairman provide the foreword to Fighting Fraud Locally;*
- *that Improvement Programme Board lead members sign-off the final version of Fighting Fraud Locally on behalf of the Board;*
- *the LGA should seek greater involvement in overseeing the delivery of Fighting Fraud Locally;*
- *to receive periodic progress reports from the Oversight Board on the delivery plan;*
- *that the LGA promote and encourage the best practice, data sharing and collaborative working highlighted in Fighting Fraud Locally, including the launch of Fighting Fraud Locally on 1 December 2011.*

Action

Officers to take forward in accordance with the Board's discussion and decisions.

Andrew Hughes

4. Innovation Discussion Paper

Cllr Peter Fleming, introduced a report which asked the Board to discuss what role the LGA, under the remit of the Improvement Programme Board, should have on innovation.

Board members made a number of detailed comments which were noted by officers, including:

- the key was to provide support and “protection” for councils exploring initiatives for the first time so that they had a “safe place” in which it would be possible to risk failure – and then to find effective ways to share the learning with the wider sector;
- It was also important to build an approach to innovation on existing best practice – and to avoid the danger of continuing to create new and separate initiatives eg. a number of authorities have developed mortgage support schemes for first time buyers ;
- the use of the LGA Knowledge Hub which offers the opportunity to share and discuss ideas, discover more efficiency working practices and develop new and innovative ways of working;
- the need to be more proactive in going beyond solid facilitation of council’s innovation knowledge and experiences;
- agreed the core challenges under Workforce, Leadership, Improvement and Collaboration, set out on page 44 of the report.

Decision

The Board

- ***noted*** the report;
- ***agreed*** that the Board should take the lead in promoting and facilitating council innovation;
- ***asked*** that their comments be taken into account in the development of this work.

Action

Offices to take forward in accordance with the Board’s decisions.

**Mike Short/
Teresa Payne**

5 (a) Project & Programme Management Business Case

Dennis Skinner, Head of Leadership and Productivity, introduced a report which asked the Improvement Programme Board to make a decision on a request for funding from the LGA towards the establishment of a National Improvement

Programme (NIP) to assist the sector in programme management.

Tim Ellis, Head of Programme Management, Royal Borough of Kensington & Chelsea, put forward the business case for a NIP, seeking funding from the LGA totalling £165k in 2011-2012. Tim Ellis was supported by Graeme McDonald from SOLACE.

Decision

The Programme Board

- **agreed** that the LGA was unable to provide funding towards the establishment of a NIP, as neither the LGA's business plan for 2011-2012, nor the RSG topslice bid, which were both produced following significant consultation with the sector, identified support for project and programme management as a priority;
- **agreed** to support the PPN Steering Group in finding alternative sources of funding.

Action

Officers to support PPM in finding alternative sources of funding.

Mike Short

5(b) Taking the Lead Evaluation

Juliet Whitworth, Research and Information Manager, introduced a report which asked the Board to consider and approve the proposed approach to the evaluation of *Taking the Lead* and the LGA's offer of support to the sector. Members congratulated Juliet Whitworth on a very useful report.

Cllr Ruth Cadbury drew attention to the proposal to commission opinion polling of the public in order to establish whether public trust in local government had been maintained or improved. It was explained that this would be in the context of the regular polling undertaken as part of our Reputation work.

Decision

*The Board **agreed** that the proposed approach to evaluation was on the right lines.*

Action

Officers to progress the approach in the light of members' discussion.

**Juliet
Whitworth.**

6. Transparency and the Emerging Data Policy Issues for Local Government

Juliet Whitworth, introduced a report which outlined the key developments in data transparency which had implications for local government. Members were asked to give a political steer on the extent to which the LGA should engage and allocate resources to this work.

Members congratulated Juliet Whitworth and Gesche Schmidt on a very useful report.

Members made a number of specific points:

- the LGA should continue to lobby for a reduction in the burden of data reporting to Government;
- Central Government should be subject to the same transparency requirements as local government;
- Complying with the transparency agenda is resource intensive and councils should have the flexibility to recoup costs through charging;
- Rather than a blanket approach to data sharing it was more effective to focus information around the needs of particular communities.

Decision

The Board

- ***noted the report;***
- ***asked that their comments be taken into account in the development of this work;***
- ***agreed that the Research and Information Team should work with Cllr Tim Cheetham, the new lead member for transparency to engage with the sector and come back with some recommendations to the Board.***

Action

Officers/Cllr Cheetham to take forward in line with the Board's discussion and decisions.

**Cllr Tim
Cheetham/Juliet
Whitworth**

7. Notes of the last meeting

The Improvement Board **agreed** the note of the last meeting.

Other Business

The Chairman informed members that Ofsted had that day reported the outcomes of the 2011 annual children's services assessments for local authorities across England. The report showed that the majority of authorities are providing good or better children's services, with 28 authorities providing excellent services for children in their area.

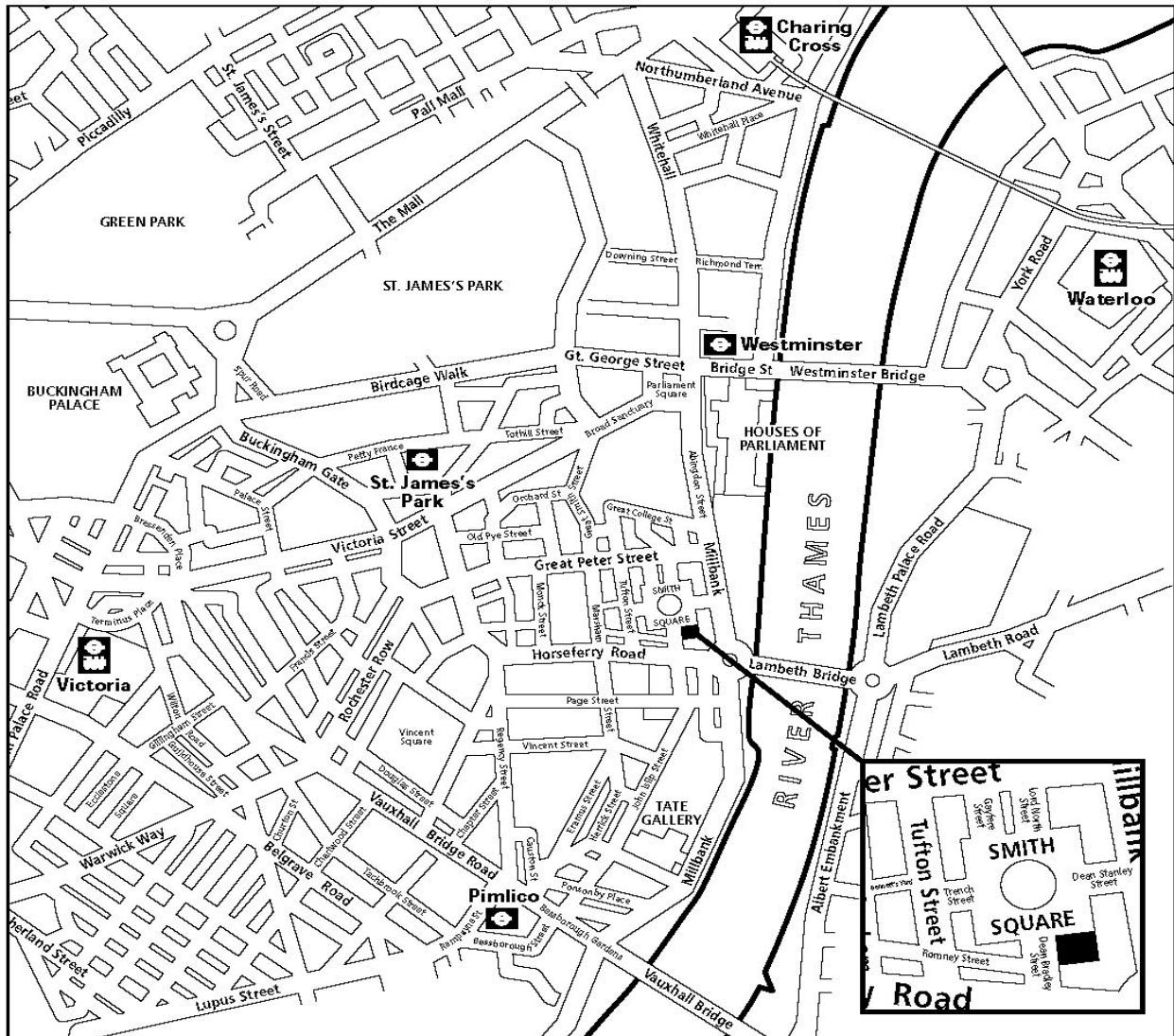
Dennis Skinner advised members that the LGA was working closely with all councils who receive poor ratings.

Dennis Skinner also updated members on the current work of the Children's Improvement Board. Members suggested that the Improvement Board could provide "external challenge" to the work of the CIB.

At the close of the meeting, the Chairman informed members that this meeting would be the last Improvement Board that Jo Miller, Deputy Chief Executive, would attend as Jo was leaving the LGA on 28 November to take up her new post as Chief Executive of Doncaster MBC. The Chairman thanked Jo Miller on behalf of the Board for her contribution to its work over the past 2 years.

Date of next meeting: 11.00am Tuesday, 17 January 2012

LGA Location Map



Local Government Group

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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

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