

Improvement Board

Agenda

Tuesday 20 March 2012
11.00am

Smith Square Rooms 3 & 4
Local Government House
Smith Square
LONDON
SW1P 3HZ

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

www.local.gov.uk

Guidance notes for visitors

Local Government House, Smith Square, London SW1P 3HZ

Welcome!

Please read these notes for your own safety and that of all visitors, staff and tenants.

Security

All visitors (who do not already have an LGA ID badge), are requested to report to the Reception desk where they will be requested to sign in and will be handed a visitor's badge to be worn at all times whilst in the building.

Fire instructions

In the event of the fire alarm sounding, vacate the building immediately following the green Fire Exit signs. Go straight to the assembly point in Tufton Street via Dean Trench Street (off Smith Square).

DO NOT USE THE LIFTS.

DO NOT STOP TO COLLECT PERSONAL BELONGINGS.

DO NOT RE-ENTER BUILDING UNTIL AUTHORISED TO DO SO.

Members' facilities on the 7th floor

The Terrace Lounge (Members' Room) has refreshments available and also access to the roof terrace, which Members are welcome to use. Work facilities for members, providing workstations, telephone and Internet access, fax and photocopying facilities and staff support are also available.

Open Council

"Open Council", on the 1st floor of LG House, provides informal meeting and business facilities with refreshments, for local authority members/officers who are in London.



Toilets

Toilets for people with disabilities are situated on the Basement, Ground, 2nd, 4th, 6th and 7th floors. Female toilets are situated on the basement, ground, 1st, 3rd, 5th, and 7th floors. Male toilets are available on the basement, ground, 2nd, 4th, 6th and 8th floors.

Accessibility

Every effort has been made to make the building as accessible as possible for people with disabilities. Induction loop systems have been installed in all the larger meeting rooms and at the main reception. There is a parking space for blue badge holders outside the Smith Square entrance and two more blue badge holders' spaces in Dean Stanley Street to the side of the building. There is also a wheelchair lift at the main entrance. For further information please contact the Facilities Management Helpdesk on 020 7664 3015.

Further help

Please speak either to staff at the main reception on the ground floor, if you require any further help or information. You can find the LGA website at www.lga.gov.uk

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

Improvement Board

20 March 2012

The **Improvement Board** meeting will be held on **Tuesday 20 March 2012** at **11.00am**, in Smith Square Rooms 3 & 4 (Ground Floor), Local Government House, LONDON, SW1P 3HZ.

A sandwich lunch will be provided afterwards at 1pm.

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: libdem@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

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.

Location

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

Contact

Frances Marshall (Tel: 020 7664 3220, email: frances.marshall@local.gov.uk)

Carers' Allowance

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

Hotels

The LGA has negotiated preferential rates with Club Quarters Hotels in central London. Club Quarters have hotels opposite Trafalgar Square, in the City near St Pauls Cathedral and in Gracechurch Street, in the City, near the Bank of England. These hotels are all within easy travelling distance from Local Government House. A standard room in a Club Quarters Hotel, at the negotiated rate, should cost no more than £149 per night.

To book a room in any of the Club Quarters Hotels please link to the Club Quarters website at <http://www.clubquarters.com>. Once on the website enter the password: localgovernmentgroup and you should receive the LGA negotiated rate for your booking.

Improvement Board

Date: 27.10.11

Improvement 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 Board Attendance 2011-2012

Councillors	8.09.11	8.11.11	17.01.12			
Conservative Group						
Peter Fleming	Yes	Yes	Yes			
Rod Bluh	Yes	No	Yes			
Michael White	No	No	Yes			
Richard Stay	Yes	Yes	Yes			
William Nunn	No	Yes	Yes			
Teresa O'Neill	Yes	No	No			
Labour Group						
Ruth Cadbury	Yes	Yes	Yes			
Tony McDermott MBE	No	Yes	Yes			
Tim Cheetham	No	Yes	Yes			
Helen Holland	Yes	Yes	Yes			
Judith Blake	Yes	Yes	Yes			
Lib Dem Group						
Jill Shortland OBE	Yes	No	Yes			
Edward Lord OBE JP	Yes	Yes	Yes			
Independent						
Jeremy Webb	Yes	No	Yes			
Substitutes						
Tony Jackson	Yes	Yes	Yes			
Theo Blackwell	Yes					
David Williams CBE		Yes				
Peter Britcliffe		Yes				
Jonathan Owen		Yes				
Apu Bagchi		Yes				

Agenda

Improvement Board

20 March 2012

11.00am

Local Government House

	Item	Page
1.	Improvement	
	a) Sector-led Improvement	3
	b) Future Arrangements for Audit	21
	c) Pan Africa Peer Review Programme	27
2.	Leadership	
	Leadership and Localism Progress Report: March 2012	31
3.	Productivity	
	Productivity Programme: 2012/13 Work Programme and Update	39
4.	Innovation	
	Creative Councils Update	53
5.	Transparency	
	a) Resident Satisfaction Questions: LGA Consultation	59
	b) Update on Transparency: March 2012	63
6.	Notes of the last meeting and actions arising – Confidential	69
7.	Date of next meeting – Tuesday 15 May 2012 at 11am	

Sector-led Improvement

Purpose

For discussion and direction.

Summary

This report invites the Improvement Board to consider and comment on a framework publication aimed at Council Leaders, senior Members and Chief Executives, describing sector led improvement overall, including children's and adults.

The report also updates the Board on progress on Peer Challenge and LG Inform.

Recommendations

1. That the Improvement Board consider and comment on the draft framework publication attached at **Appendix 1** for discussion with the Children's Improvement Board and Towards Excellence in Councils Adult Social Care Board.
2. That Lead Members be authorised to approve the final publication.
3. That progress on Peer Challenge and LG Inform be noted.

Action

Finalise the framework publication in the light of discussions and seek Lead Members' approval.

Contact officer: Dennis Skinner
Position: Head of Leadership and Productivity
Phone no: 020 7664 3017
E-mail: dennis.skinner@local.gov.uk

Sector-led Improvement

Background

1. *Taking the Lead*, which sets out the sector's approach to sector-led improvement, was published just over one year ago. Since then we have made good progress in delivering our support offer and further work has been undertaken to respond to councils' requests that we find a way to manage the risk of performance failure.
2. At the same time new approaches to sector-led improvement have also been developed in children's services (through the Children's Improvement Board) and in adult social care (through the Towards Excellence in Council's Adult Social Care Board). In each case the approaches have been developed in association with relevant Government departments, the LGA and the sector's representative professional bodies. They are based on many of the core principles and practices set out in *Taking the Lead*.
3. Whilst this represents significant strides in the progress of transition from the old performance framework to a new sector-led approach to improvement, it also makes the process of transition more challenging.
4. It is important that this work is communicated to the sector in a way that demonstrates the linkages between the different strands and helps build understanding and "buy in" at senior Member and officer level.
5. Therefore the LGA Executive, at its meeting on 15 March, is being asked to approve the production of a single overarching framework publication that brings together the work of the Children's Improvement Board, the Towards Excellence in Council's Adult Social Care Board with that of the LGA Improvement Board.
6. The proposed document will be aimed at Leaders, portfolio holders and Chief Executives. The main elements to be covered include:
 - 6.1 Local accountability tools including the use of self assessment and scrutiny; local accounts for adults services.
 - 6.2 The role of corporate peer challenge, safeguarding and adults services peer challenges and the challenge process of self-assessments.
 - 6.3 The use of data and benchmarking, including the role of LG inform and the data profiles being produced by the Children's Improvement Board and Towards Excellence Board.
 - 6.4 The role of regional structures and networks.

Item 1(a)

- 6.5 The national role for detecting and preventing potential failure and in particular the role of Principal Advisors.
 - 6.6 The principles of information sharing.
 - 6.7 The early support that the sector can offer to councils.
 - 6.8 The role of the Performance Support Panel.
7. In order to ensure that the three strands of work continue to be progressed in unison the LGA Executive is also being asked to agree:
- 7.1 that the approach and process in each case is politically led;
 - 7.2 that there is consistency in the offer across corporate, adult and children's improvement; and
 - 7.3 that this work is communicated to the sector in a consistent and mutually reinforcing way.
8. Members' views are invited on the first draft of the overarching framework publication, attached at **Appendix 1**. The publication will be developed to take account of the views of the Children's Improvement Board and the Towards Excellence Board and then submitted to Improvement Board lead Members for final approval.
9. The publication will be supported by more detailed guidance to lead Members and officers involved in delivering the arrangements (LGA Principal and Senior Advisers, CIB regional Member; Chief Executive and Director leads; CIB Brokers and ADASS regions, etc). This guidance will include the detailed approach to detecting and preventing failure which was reported to the last meeting of the Improvement Board.

LGA support

10. **The role of peer challenge:** As part of the LGA's offer to help councils improve we have made available to all councils over the next 3 years, at no cost, a corporate peer challenge. The challenge is primarily an improvement tool and is being tailored to allow councils to use it to focus on their local priorities. However, all corporate peer challenges include a core component that looks at issues of leadership, corporate capacity and financial resilience whose absence we know from experience is linked to organisational failure.
11. To date we have delivered 16 new corporate peer challenges with another 40 booked in or in discussion and initial conversations are progressing with a large number of other councils.
12. We are closely monitoring the effectiveness of this new approach. Feedback from two sounding boards involving leaders of councils that have had a peer challenge along with Member peers involved, has been positive:

Item 1(a)

- 12.1 “A very high quality team who provided honest and helpful feedback.”
 - 12.2 “We wanted to test our financial plan – the team challenged us about what are our true priorities. This has sparked a very helpful strategic cross-party debate over our purpose and priorities for the future of the council.”
 - 12.3 “The report was powerful and raised some questions we really do need to consider.”
 - 12.4 “The flexible and tailored approach is a real strength ensuring it is bespoke to meet the needs of individual councils.”
 - 12.5 “Peer challenge is less formal and at the same time more informative and improvement focused than previous inspection approaches.”
13. A detailed report on the outcome of the current review will be submitted to the Improvement Board at its next meeting on 15 May.
14. **Comparative performance information:** LG Inform provides councils and fire and rescue authorities with free access to contextual (e.g. health and demographic data) and performance data covering 850 individual items. A wide variety of important services metrics (e.g. timeliness of care assessments) are offered to authorities, enabling local performance to be assessed regionally and nationally across all local authorities. Since its original launch, LG Inform has now built a user base of over 280 registered authorities and over 1,200 registered users.
15. Further improvements are underway and the next phase will deliver a significant number of enhancements to the current service. These will include:
- 15.1 Enhanced performance and speed.
 - 15.2 A highly responsive and intuitive system.
 - 15.3 High quality outputs in terms of charts, map, tables and reports for reuse online and offline.
 - 15.4 A range of configurable dashboard formats.
 - 15.5 Opening up parts of LG Inform to the public.
 - 15.6 Extending and enhancing the metrics library and data base.
 - 15.7 Ability to collect local ‘in year’ and ‘early sight’ and ‘new’ data.
16. Work will also continue with the sector to define core sets of data to be included within the scope of LG Inform.

Conclusion and next steps

17. Significant progress has been made in delivering our *Taking the Lead* offer and mainstreaming the approach in other areas. It is important that this work continues to be taken forward and communicated to the sector in a way that demonstrates how the different elements and strands are linked together.

Financial Implications

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

DRAFT

Sector led improvement

Introduction:

“Taking the Lead”, the sector’s approach to sector led improvement, was published in February 2011.

This paper is addressed to Leaders, Portfolio Holders, Chief Executives and Directors and provides an update on the overarching framework for sector led improvement that brings together the work of the Children’s Improvement Board (CIB) and the Towards Excellence in Council’s Adult Social Care Board with that of the LGA Improvement Board.

The paper demonstrates how the principles and key components in “Taking the Lead” have informed the approach to improvement in children’s services and adult social care. Where there is a difference of approach or emphasis this is identified and explained. It also explains how the LGA is responding to the sector’s request to find a light touch way of identifying councils who may be facing performance challenges, so that early preventative improvement support can be offered.

Background:

Five years ago things were very different.

Whilst resources were less constrained councils and their partners were subject to a much greater level of assessment and inspection. The feedback you gave us at the time was that this restricted your freedom to lead localities, that it was resource intensive and that inspection had outlived its usefulness.

Working with you we led a campaign to reduce the burden of inspection and assessment.

As a result, we have seen much of the old “performance framework” dismantled by government. The National Indicator Set; Local Area Agreements, Government Office monitoring; Comprehensive Area Assessment and the annual scored assessments of children’s and adults services are all now things of the past.

This scaling back of central monitoring provided the sector with an opportunity to do two things - to build a new approach to improvement based on what we have learnt about what works best and to step up and ensure we are providing some light touch self-assurance and support where required as early as possible.

Item 1(a) : Appendix 1

This approach was set out in “Taking the Lead”.

“Taking the Lead” was developed over a lengthy period of discussion and engagement with the sector and finally published in February '2011. The level of response to the final consultation was generally regarded as the highest ever for a piece of proactive LGA policy work and support for the approach and proposals was very high.

“Taking the Lead”: Principles, Practice and Support

Councils overwhelmingly endorsed a number of key principles underpinning the new approach to sector led improvement. They are as relevant now as they were then. They are that:

- Councils are responsible for their own performance and improvement and for leading the delivery of improved outcomes for local people in their area;
- Councils are accountable to local communities (not government or the inspectorates) and stronger accountability through increased transparency helps local people drive further improvement;
- Councils have a collective responsibility for the performance of the sector as a whole (evidenced by sharing best practice, offering member and officer peers, etc);
- The role of the LGA is to continue to lobby for further reductions in inspection, assessment and data reporting; to maintain an overview of the performance of the sector in order to identify potential performance challenges and opportunities – and to provide tools and support to help councils take advantage of this new approach.

Whilst “Taking the Lead” did not seek to prescribe what councils would do locally to implement the new approach it did identify a small core set of activities that experience demonstrates are commonly undertaken by councils taking responsibility for their own performance and improvement. This includes

- Strengthening local accountability;
- Making use of transparent and comparable performance information
- Challenge from one’s peers
- Investing in leadership
- Learning from good practice and through sector-led networks

“Taking the Lead” also responded to councils’ requests that we find a way to manage the reputational damage to the sector caused by performance failure. It committed the LGA to work with the sector to develop a light touch way of managing the risk. This paper describes the approach and how it works, including across children’s and adult services improvement.

These activities are set out below – along with some of the key elements of the LGA’s seven point support offer.

Local accountability

Councils already make extensive efforts to engage with their local residents since they recognise that providing greater opportunities to be held more locally accountable can only help the way the council works. The way councils will go about strengthening local accountability will vary from place to place.

To help councils we offered stronger on-line guidance; an updated locality self assessment tool and support from the Centre for Public Scrutiny to make more effective use of scrutiny as a key tool for challenging performance locally.

In adult social care it is a key part of the approach that councils undertake and publish a regular self assessment (called "local account") setting out progress against their priorities for quality and outcomes in adult social care. Local accounts are seen as a key mechanism for demonstrating accountability for performance and outcomes to citizens.

Whilst producing a local account is a matter for local discretion most councils have already produced or plan to produce one and the Towards Excellence Board is planning to evaluate the exercise and draw out the lessons.

Similarly, self assessment forms an important basis for understanding and managing performance in children's services and councils are now being asked to open up this self assessment to external challenge by their peers in other councils.

Transparent and comparable performance information

Being able to compare performance with other councils and areas is an important driver for improvement, but this has been made more difficult as a result of the abolition of the National Indicator set and the Government's associated Data Hub.

To help councils we have created LG Inform, a data service by and for local government. It is a new service providing, at no cost, a single point of access to a wide range of contextual, financial and performance data; giving the ability to share and compare performance information between councils and to manipulate the data and create a range of score cards and reports.

CIB is working to develop a common data set for children's services. Whilst it does not claim to be comprehensive or to be the only source of information or intelligence about performance it will provide a common set of key data that councils can use as a way of understanding their own performance, in comparison to statistical neighbours, and can form one of the starting points for peer challenge. A standard "data profile" – which will be populated for each council - is being developed and tested with the sector and will be part of LG Inform.

For adults, the programme will draw on national data sets and market intelligence to offer comparative data on key outcome areas and productivity through LG Inform.

Finally, in autumn 2012, LG Inform will become open to the public. This will allow councils to write performance reports in LG Inform that they can publish on their website, or simply direct their residents to data for their authority in LG Inform. Authorities may choose to do this as part of their work to be locally accountable and transparent, and the intention is that LG Inform will make this easy without requiring much council resource.'

Challenge from one's peers and offer of peer support

We know that challenge from one's peers is a proven tool for improvement. Those councils that had a peer challenge during the CPA/CAA era improved their ratings to a greater extent than those that did not.

To help councils we have offered, at no cost, a "corporate" peer challenge to every council over the three years from Summer 2011. The challenge is primarily an improvement tool and is being tailored to allow councils to use it to focus on their local priorities. However, all corporate peer challenges include a core component that looks at issues of leadership, corporate capacity and financial resilience whose absence we know from experience is linked to organisational failure.

There are two additional offers in the approach to children's improvement:

- an opportunity for a council's self assessment or improvement plan of their children services to be challenged by their peers in other councils. A number of different models of children's services peer challenge are being developed and taken forward by councils working together in regions.
- An opportunity for all councils to have, at no cost, a children's safeguarding peer review once every three years (subject to confirmation of DfE funding for 2013/14). This offer builds on the LGA's corporate peer challenge methodology – but there are some differences. Whilst the exact focus for the review will still be discussed with the individual local authority there is less flexibility about the focus and approach because safeguarding is such a high risk area for the sector.

N.B. In the context of a paper that seeks to join together three strands of corporate, children's and adult, sector led improvement and present a single narrative to the sector it is appropriate to raise the issue of language. The differential use of the term "peer challenge" and "peer review" has proved problematic in discussions with councils. It is suggested that in future we refer consistently to "peer challenge" – as a consequence the "safeguarding peer review" might in future be referred to as a "safeguarding peer challenge".

The Adult's programme provides a subsidised peer challenge for each of the seven councils currently rated "adequate" under the previous CQC assessment regime as a way of assessing and formally recognising councils' improvement in the absence of any further CQC assessments. It is planned, in addition, to devolve resources to regions to support delivery of a programme of regional peer challenge and review.

Investing in Leadership

It goes without saying that effective political and managerial leadership is key to sustained improvement.

The LGA is committed to continuing to provide development support for political and managerial leaders and we are making one subsidised place for every council for each of the next three years on one of our main programmes.

The CIB is working with the LGA to increase the number of member peers with an understanding of children's services who are available to provide support to councils in particular difficulty. The LGA also supports and makes regular input to regional meetings of lead members for children. An induction event for new lead members is being held in July and consideration is being given to providing free leadership academy places for lead members during the year. The CIB has oversight of the leadership programmes provided for directors of children's services through the Virtual Staff College and is working to ensure a close fit between this leadership work and other aspects of children's improvement.

In adults the leadership programmes will be reviewed with the focus on collaborative leaders as the priority for 12/13, linking to the LGA's health leadership programmes.

Learning from good practice and the role of regional structures and networks

Learning from others in the sector is a key part of a sector led approach – but it is often difficult to find the time or the right information. To help councils we have created Knowledge Hub, a free web-based service providing a single window to improvement in local government. We are also working with and supporting sub national groupings of councils and member/officer networks as a basis for implementing the new approach and sharing good practice.

We are in discussion with a number of sector owned regional improvement organisations about aligning our national and regional support offers so that we can present our joint support to the sector as a seamless whole.

Working collaboratively with regions is also an integral part of the approach in both children's and adults.

The CIB has devolved funding to each of the nine regions to support improvement work in children's services. Within a broad agreement between each region and CIB, each region is being asked to prioritise peer challenge between councils and providing early support to councils who are in difficulty or may be at risk of poor performance. Each region has been asked to nominate three "regional leads" to champion this improvement activity: a lead member for children, a chief executive and a director of children's services.

Item 1(a) : Appendix 1

For adults, the approach to improvement is being developed with and through the ADASS regional branches. Key deliverables for regions in 2012/13 include: supporting the delivery of regional peer challenge and review; review and development of local accounts; delivery of improvement support.

Just as the sector's approach to self improvement needs to be coordinated nationally so it also needs to be coordinated at a sub national level. Our expectation is that as new devolved arrangements develop they will build on existing sector owned and politically led improvement architecture already in place at a regional level and that the CIB regional leads and ADASS regions will work together with the LGA's Principal Advisers to ensure a coordinated approach to sector led improvement and support at regional level.

Managing the risk of underperformance

In our discussions with councils during the development of *Taking the Lead* councils recognised that "service" or "corporate" failure not only has a detrimental impact on local people and localities but also damages the reputation of the sector as a whole.

Councils told us that they wanted the sector to find a way of managing the risk – but that they did not want the LGA to become some form of inspectorate and neither do we!

Instead what we want to do is to work with the sector to find an appropriate way of understanding where councils are facing performance challenges so that we can offer improvement support – and as a result help prevent specific incidences of service failure and in extreme case Government intervention.

So, when thinking about any new arrangements we have taken advice from the independent Advisory Board (involving AC; NAO; SOLACE; ADCS; ADASS;) chaired by Steve Freer, CEX CIPFA. And we have also learnt from past experiences of failure – including a review of councils subject to Corporate Governance Inspections.

The Advisory Board's conclusion was that generally speaking, the causes of failure arise from

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

(and these factors are addressed in the core component of the corporate peer challenge).

This suggests two things:

- that in terms of strengthening arrangements to detect and prevent potential failure – so that we are in a position to offer support - we should mainly focus on a relatively small number of high level factors and

Item 1(a) : Appendix 1

- secondly that the nature of the intelligence required to understand whether there are problems in these areas is likely to be a combination of soft intelligence deriving from informal sources supported by statistical and trend analysis from data returns, etc.

We have structured our approach accordingly:

- we have positioned our team of Principal and Senior Advisers supported by our Lead and regional member peers as the focal point for gathering intelligence about performance in “their” areas and identifying councils facing risks of the sort outlined above.
- We support Principal Advisers by gathering intelligence from others and feedback from our wider engagement with councils e.g the results of a Peer Challenge. As part of this approach the LGA is meeting with Government departments and remaining inspectorates to receive information about performance from their perspective and to provide reassurance about the effectiveness of sector led support.
- We support Principal Advisers with analysis of hard published performance data via LG Inform.

Importantly, Principal Advisers do not work in isolation.

First: As part of the sector-led improvement programmes in both children’s and adults social services specific arrangements are being put in place to provide effective targeted early support to councils facing performance challenges.

In the case of Children’s improvement it is expected that the early support will be delivered through the regional arrangements described above. But Principal Advisers will have the lead role in ensuring a “single conversation” with councils about performance issues. They will work closely with CIB regional leads to ensure support is aligned with the wide improvement offer regionally and/or nationally.

Similar arrangements are being developed in Adults.

Second: In many regions the Regional Improvement and Efficiency Partnerships or their successor bodies/regional LGAs are supporting sector led improvement. Principal Advisers are working closely with partnerships to share information and provide support in a collaborative way. These relationships will be particularly crucial in terms of gathering intelligence and responding where appropriate but will, in each case, be influenced by the extent to which regional bodies are playing active roles in understanding performance risks in their area .

We accept that this is difficult and we understand the need to build confidence in the arrangements and therefore the need to be clear about our proposals – which is why we are setting out our approach at this stage.

It is also important to overcome the legacy of distrust created as a result of the previous regime of reporting by field forces to central government that there is clarity about our approach to information sharing. At times it will be necessary to share concerns about

Item 1(a) : Appendix 1

the performance challenges individual councils may be having across different parts of the sector's improvement arrangements. The purpose of sharing information will – in all cases - be to enable timely, appropriate and effective support to be offered. And in each case we will strive to adhere to the following general principles

- The individual council will be aware information is being shared
- Any concerns should be specific and evidence-based
- Information is treated in confidence.

What would this look in practice like from a council's perspective?

Where the information and intelligence gathered appears to indicate a potential concern the Principal Adviser will talk directly with the authority involved.

How he/she approaches the council and the level of contact will depend on the circumstances and relationships in each case but would normally be at Chief Executive level.

In doing so the Principal Adviser will liaise as appropriate, with the relevant LGA lead/regional member peer; regional leads in children's or adult social services and other regional improvement players such as any ongoing Regional Improvement and Efficiency partnerships or the Regional LGA.

These discussions may lead to a number of potential conclusions, for example:

- There is a satisfactory explanation. In this situation no further immediate action would be required other than to consider if anything needs to be done to correct the *appearance* of a potential concern.
- The council agrees that it faces a performance challenge – but it is aware of it and has appropriate steps in place to deal with the issue. In this situation the Principal Adviser would make arrangements to keep the issue “under review”.
- The council agrees that it has a potential performance challenge – and a conversation between the Principal Advisor and the Chief Executive helps to identify some solutions to high level causal factors before they impact on performance. This could be by putting them in contact with good practice at another council or facilitating a one off top team session or putting in some mentoring.
- The council agrees that it faces a performance challenge and that a bigger degree of support is needed. In this situation the Principal Adviser would work with the council (and as appropriate with regional leads in children's or adult social services and/or any sub national sector owned improvement organisations) to develop and deliver an appropriate package of support. The appropriate LGA political group office may need to be involved and the situation (including the nature of the performance challenge and appropriate support being provided) would be reported to the LGA's Performance Support Panel (PSP) which provides political oversight of our improvement work with councils

Item 1(a) : Appendix 1

facing performance challenges. PSP's role is to challenge officers about the effectiveness of the support being offered.

- The council does not accept that it faces a performance challenge. This situation will require very careful handling and further discussions will be necessary in order to understand why there is a difference of view and whether it justifiable (for example performance standards have fallen comparative to past performance or other similar types of authority because local politicians have decided it is no longer a priority and/or there is no local demand for a better service). Alternatively in very rare cases it may be that members or officers simply refuse to accept the problem. Principal Advisers may need to work with the appropriate LGA political group office, member peers and senior officers in order to determine the most effective way of pursuing discussions with the council concerned.

As referred to above, as part of this approach the LGA is meeting with Government departments and remaining inspectorates to receive information about performance from their perspective and to provide reassurance about the effectiveness of sector led support. However there may be circumstances where we are unable to persuade departments or inspectorates about the prospects for improvement (for example they may believe the council is in denial; or our sustained support has not been effective; or there is imminent danger of serious failure). At the end of the day central government retains the right to intervene – in particular Ofsted and the Care Quality Commission both retain powers to inspect and in each case Ministers have formal powers to intervene.

Although incidences of intervention are already relatively small in number our ambition is that they should never again be necessary.

This is difficult territory for us all – but we think the approach we have outlined above is the right one.

- It responds to councils' demand that we manage risk on behalf of the sector – but it places no added burden on councils themselves
- It is based on what we know about the key causes of "failure"
- It acknowledges and involves other sector owned improvement architecture
- It balances the sector's desire that the LGA does not become an inspectorate with the advice from the Advisory Board and with Government's expectation that the sector will put arrangements in place
- Finally the approach is politically owned and led by senior LGA politicians.

We hope that eventually we can get to a situation where these arrangements are unnecessary because councils are willing voluntarily to signal their need of support.

But at the moment we are still in the process of transition. Over time we have to rid ourselves of the spirit of competition bred by the old inspection regimes and associated league tables. Instead we need to build a new spirit of openness and cooperation within the sector that acknowledges that there may be areas where we do need to improve; that sometimes we don't always know best; that we can often learn from each other.

Making it work

We are in the process of moving from the old top down approach to assessment and inspection to a sector led approach to improvement. We have been successful in mainstreaming the general approach in key service areas – adult social care and children’s services. This has made the process of change more important – and more challenging. Achieving successful transition to the new approach demands the involvement of us all.

Locally:

- We ask that councils engage positively and proactively with this work, considering how and when they would best benefit from our improvement support offer
- We ask, in particular, that leaders and chief executives take a strong interest in this work raising the profile and widening the ownership of it within their organisations and also considering whether they can contribute personally by offering themselves as member/officer peers

Regionally:

- We will develop an effective coordinated approach across corporate, children’s and adults improvement. We ask that regional improvement organisations, CIB regional leads and ADASS regional branches work together and with Principal Advisers to coordinate activity
- our Principal Advisers will act as the key point of contact for councils across these streams of improvement support
- We will work collaboratively with regional sector owned improvement organisations and we ask that such organisations engage positively with our Principal Advisers to work through the implications and opportunities

Nationally: We will ensure (as far as it is possible within the context of the partnership approach in adults and children’s services) that

- the process is led politically
- there is a consistency in the offer across corporate, adult and children’s improvement and
- this work is communicated to the sector in a consistent and mutually reinforcing way.

Further information (*to be completed*)

Taking the Lead

For further information about the seven point support offer go to <http://www.local.gov.uk/taking-the-lead>

Taking the Lead – generally

Dennis Skinner
Head of Leadership and Productivity
Email: dennis.skinner@local.gov.uk
Mobile: 020 7664 3017

Corporate peer challenge

Andy Bates,
Principal Adviser Peer Support
Email: andy.bates@local.gov.uk
Mobile: 07919 562849.

LG Inform

Juliet Whitworth
Research and Information Manager
Email: juliet.whitworth@local.gov.uk
Mobile: 07979 803157

Adults

For further information about sector led improvement and the work of the Towards Excellence Board

http://www.local.gov.uk/web/guest/topic-health-adult-social-care-and-ageing/-/journal_content/56/10161/3469929/ARTICLE-TEMPLATE

Oliver Mills
National Programme Director –Towards Excellence in Council's Adult Social Care
email: Oliver.Mills@local.gov.uk

Children's

For further information about sector led improvement and the work of the Children's Improvement Board

http://www.local.gov.uk/web/guest/improvement-and-support/-/journal_content/56/10161/3143339/ARTICLE-TEMPLATE

Colin Hilton
Director of Children's Services Self Improvement
Email: colin.hilton@local.gov.uk
Direct Line: 020 7664 3161
Mobile: 07747636932

Principal Advisers

Contact details to be added
8/03/12

Future Arrangements for Audit

Purpose

For discussion and direction.

Summary

This report updates members about the results of the Audit Commission's (AC) process to procure local public audit.

The next LGA/AC Liaison meeting involving the LGA Chairman, Group Leaders and Cllr Peter Fleming takes place on 14 March and a verbal update will be made to the Improvement Board.

Recommendation

The Improvement Board is asked to note the results of the Audit Commission's process to procure local public audit.

Action

As agreed by members.

Contact officer: Nick Easton
Position: Senior Adviser
Phone no: 020 7664 3278
E-mail: nick.easton@local.gov.uk

Future Arrangements for Audit

Background

1. The Audit Commission has recently announced the results of its process to procure local public audit. Following a process that began with a contract notice issued in September 2011, the Audit Commission is proposing to award the following contracts to:
 - 1.1 **Grant Thornton (UK) LLP** a total notional value* of £41.3 million a year covering four contract areas in the North West, West Midlands, London (South) Surrey & Kent, and South West;
 - 1.2 **KPMG LLP** a total notional value of £23.1 million a year covering three contract areas in Humberside & Yorkshire, East Midlands, and London (North);
 - 1.3 **Ernst & Young LLP** a total notional value of £20 million a year covering two contract areas in Eastern and South East; and
 - 1.4 **DA Partnership Ltd** (DA Partnership Ltd is a wholly-owned subsidiary of Mazars LLP) a total notional value of £5 million a year covering one contract area in the North East & North Yorkshire.

(*The contract notional value is based on the proposed scale fees for 2012/13 and an estimated value for certifying grant claims and other financial returns).

2. The results of the procurement exercise should save £250 million over five-years, leading to fee reductions of around 40 per cent for local bodies. This is made up of savings of over £30 million a year for the length of the contracts together with additional savings of £19 million a year achieved through the Commission's own internal efficiencies.
3. Responding to the announcement Sir Merrick Cockell, Chairman of the Local Government Association, said:

"The Local Government Association would like to see councils themselves procuring their audit services and we have been working with Government to that end. In the current financial climate this next step towards that goal represents significant and guaranteed savings for five years and that is good news for local government. At a time when they are facing very hard decisions about budgets, this will be a tangible financial benefit to them."

Item 1(b)

4. The contracts awarded by the Audit Commission will begin on 1 September 2012 and last for five years with the option to extend for an additional 3 years. A decision as to whether to extend the contracts will be taken nearer the time of expiry.
5. As a result of the procurement exercise, the total number of suppliers of local public audit has been increased from five to seven.
6. In line with previous practice, the Commission has allowed for a period of consultation with local bodies prior to finalising appointments. This will begin imminently. The appointments will be formally approved by the Commission's Board in July. The timetable means that appointments are planned by the start of the Annual Audit Cycle on 1 September 2012. In the meantime, the existing auditor who will be on-site undertaking the 2011/12 audits will keep a watching brief for the first six months of the new financial year.
7. When the Commission's Audit Practice closes, it will leave a much smaller organisation in place to manage the contracts, oversee the public audit market and deliver its other statutory functions.
8. The Government is pressing ahead with its plans for disbanding the Audit Commission. A draft Bill will be published in the Spring for Parliamentary scrutiny. The legislation will be introduced as soon as Parliamentary time allows. It is the Government's current intention to transfer all rights and liabilities under the contracts in that proposed legislation, so that the contracts can run for their planned duration (even though the Commission will be disbanded in the meantime).
9. Following the last meeting of the Board, Cllr Fleming, Chairman, wrote to the Secretary of State to convey the Board's views about outsourcing and its view that the requirement for independent Audit Panels is an unnecessary layer of bureaucracy that sits at odds with the Government's agenda to devolve responsibility locally. The Secretary of State's reply confirms that he does not wish to impose any unnecessary bureaucracy and that the requirement for audit panels will be drafted to allow maximum flexibility for local authorities to adapt them to local circumstances. A copy of the reply is attached at **Appendix 1**.
10. The next LGA/AC Liaison meeting involving the Chairman, Group Leaders and Cllr Peter Fleming takes place on 14 March and a verbal update will be made to the Improvement Board.

Financial Implications

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



Cllr Peter Fleming
Chairman, Improvement Board
Local Government Association
Local Government House
Smith Square
London
SW1P 3HZ

Email: caroline.jackson@local.gov.uk

The Rt Hon Eric Pickles MP
Secretary of State for Communities and Local Government

Department for Communities and Local Government

Eland House
Bressenden Place
London SW1E 5DU

Tel: 0303 444 3450
Fax: 0303 444 3289
E-Mail: eric.pickles@communities.gsi.gov.uk

www.communities.gov.uk

Our Ref: ER/ER/005039/12

22 FEB 2012

Dear Peter

The future of local public audit

Thank you for your letter of 8 February following a recent meeting of the LGA Improvement Board.

We have relayed your views on timing to the Commission as part of the Government's view on whether the contracts should be three or five years in duration. As you know, it is, ultimately, for the Commission to award the contracts, and I expect they will announce their decisions on 6 March.

The need for an independent element in the appointment of auditors is a long-standing principle of audit (in both the public and private sectors). The proposals for independent auditor appointment panels are designed to balance this principle of independence with giving local authorities the power to appoint their own auditor, which I am glad to hear is a power you welcome. However, I do not wish to impose any unnecessary bureaucracy. The requirements for these panels will therefore be drafted to allow maximum flexibility for local authorities to adapt them to local circumstances. My officials are considering how this can be best be done, taking into account the issues raised by local authorities in the workshops we held in January, and they would welcome further input from LGA officers before we publish a Draft Audit Bill later this Spring.

Yours ever
Eric

THE RT HON ERIC PICKLES MP

Item 1(c)

Pan-African Peer Review Project

Purpose

For discussion and direction.

Summary

Following the successful completion of a peer review training programme for a Pan-African cohort of local government peers, this is an update on the progress of the wider project and next steps for the LGA.

Recommendation

Ivor Wells, the lead officer for the peer review training programme, will be giving a verbal update on the progress of the project and Members are asked to discuss / comment on upcoming activities.

Action

LGA officers to take forward as directed by Members.

Contact officer: Andy Bates
Position: Principal Advisor (Peer Support)
Phone no: 07919 562849
E-mail: andy.bates@local.gov.uk

Contact officer: Ian Hughes
Position: Programme Director (European & International)
Phone no: 0207 664 3101
E-mail: ian.hughes@local.gov.uk

Pan-African Peer Review Project

Background

- 1 The LGA delivers a number of projects which provide support to local government in the developing world. This work includes capacity building, peer support and general training/development.
- 2 There are a number of basic political steers which guide the LGA's work in this area:
 - 2.1 All work is based on demand from sister LGAs or councils in the developing world.
 - 2.2 The funding for projects is sourced externally.
 - 2.3 Delivery is based on practitioner-to-practitioner support, rather than the use of expensive consultants.

The Project

- 3 In 2010 the LGA pioneered a peer review with the South African LGA based on the UK's experiences of peer challenge. As a result United Cities & Local Government Africa (the pan-African LGA) is piloting the concept of peer review across Africa in 2012 in partnership with the LGA. With external funding the programme will draw on the UK's experience of peer review over the last decade to deliver a programme of five pilot peer reviews in five African countries. The reviews will be delivered for either a local authority or a national local government association in Uganda, Ghana, Cameroon, Namibia and Ivory Coast.
- 4 The first stage of the project is training African peers from across the continent and last month the LGA hosted a cohort of Councillors, Chief Executives and local government experts from 14 African countries for training on peer review and the adaptation and benchmarking process for delivery in the five pilot countries. This has been a successful collaboration between the Programmes and Peer Support team and indeed the project itself depends on both parts of the organisation working effectively together.

Item 1(c)

Next steps

- 5 The cohort will now form five peer review teams made up of an African Chief Executive, an African Councillor, an African local government expert and a UCLGA review manager. Each of the peer review teams will be supported/mentored in-country by a UK Chief Executive, a UK Councillor and a UK peer review manager. The five pilot peer reviews will take place between June and October 2012.
- 6 The selection processes for UK member and officer peers has already begun. The LGA's four national lead peers have created a pool of fifteen potential member peers from across all the political groups and a member peer will be selected for each of the five reviews based on consultation with UCLGA and the self assessment and requirements of the African local authority/association receiving the review. A pool of potential UK Chief Executives has also been created and selection will be on a similar basis.

Financial Implications

- 7 The project is entirely externally funded and all expenses incurred by the LGA in the delivery of its activities will be reimbursed, including administration costs.

Leadership and Localism Progress Report: March 2012

Purpose

For discussion and direction.

Summary

The purpose of this report is to update the Improvement Board on the LGA Leadership offer.

Recommendation

The Board is asked to note the Leadership and Localism team's programme of work, the progress that has been made in delivery of this programme to date and to make recommendations regarding its future direction.

Action

The Leadership and Localism team will continue to develop the programmes in line with the progress made and any recommendations made.

Contact officer: Pascoe Sawyers
Position: Principal Adviser, Leadership & Localism
Phone no: 0207 664 3053
E-mail: pascoe.sawyers@local.gov.uk

Leadership and Localism Progress Report: March 2012

Background

1. Since its formation in June 2011 as part of the LG Group restructuring, the Leadership & Localism team has been working to bring together key offers from the Leadership Centre with key elements from LGID's Political Leadership and Managerial Leadership teams as well as new offers reflecting the LGA's priorities around leadership development.
2. Following the restructuring into a single organisation and the associated review of activities and priorities, much effort has been put into bringing together the offers from the different teams as well as developing a new offer around Induction for new councillors. These offers have now been largely consolidated into the new team and the current programme of work is being delivered to councils.
3. With service planning for 2012/13 starting in detail, it is a good time for the Board to review the achievements of the Leadership & Localism team in delivering its programme of work.

The issue

4. The purpose of this report is to update the Board on the delivery of the 2011/12 programme of work.
5. The Board is particularly invited to note the key developments around:
 - 5.1 The development of the master classes as a specific offer for Leadership Academy alumni.
 - 5.2 The completion of the regionally based induction events for new councillors, a new offer for 2011/12.
 - 5.3 Changes to the National Graduate Development Programme.

Leeds Castle

6. The programme structure for Cohort 8 was adjusted in response to feedback and the cost to participants has been reduced as well as time spent away from authorities. This was achieved while still maintaining the high calibre of expertise available on the programme.

Item 2

7. Over 60 leaders and chief executives were invited to participate in Cohort 8 with a final group of 17 (8 leaders and 9 chief executives). Of those that have declined this year, many have asked to be considered for future programmes.

Leadership Academy

8. Over 2011/12 we ran 9 main programmes, 13 focused programmes and three master classes as well as weekend events for young councillors and BAME councillors. In total 102 councillors participated in the main programmes and 435 in the focused programmes and master classes. The programmes were supported by a total of 198 different councils.
9. An innovation this year was the development of the master classes, a series of short programmes aimed specifically at Leadership Academy alumni. Three were offered:
 - 9.1 *Getting your message across*: covering communications and the use of social media to engage and inform the public.
 - 9.2 *Leading in a Crisis*: using a simulation exercise to look at the role of the political leader in an emergency or crisis situations such as flooding or rioting.
 - 9.3 *Shared Services, the leadership challenge*: exploring the particular challenge of developing and managing a shared service arrangement with other councils / bodies.

Next Generation Programme

10. All elements of the three main party streams this year have been undertaken with greater involvement and influence from the LG political groups. In all, 51 councillors were involved in Cohort 6 (15 Conservative; 20 Labour; 16 Liberal Democrat).
11. Working closely with the LG Independent Group we ran a *Regional Independent Leadership development programme*: a series of regional leadership development seminars for Independent councillors with a focus on personal impact.

“Preparation for Power”

12. Change of Control projects are up and running with more still at the planning/consideration stage. This breaks down as 26 Labour Authorities, 6 Conservative, 1 Liberal Democrat and 1 Independent.

Item 2

13. We will be working with the political groups to offer appropriate support to Members where changing control is likely. For the Labour Group this will be a series of events for a select group of Members, planning for which is underway. Support for the Conservative and Liberal Democrat Groups is to be confirmed but may be in the form of 1:1 support involving the peer team if appropriate, and may therefore come under the Change of Control programme.

Councillor Development

14. We are in the process of merging Local Government Leadership's 21st Century Councillor offer and the LGID Local Leadership offer into a single LGA councillor development programme. 21st Century Councillor is being retained as the branding for this. Key achievements have been:

- 14.1 The Political Skills Framework has been revised to reflect the changing role of the councillor in the light of the Localism Act.
- 14.2 The Ashridge Virtual Learning Portal (VLRC) has been revised as part of the transfer to Knowledge Hub to make its use and access simpler and more focussed to the needs of councillors.
- 14.3 The launch of a guide to councillor mentoring, published by the City University, London. We worked closely with Prof Silvester in the research and development of the guide which provides guidance for both the mentor and the mentee and for those wanting to set up mentoring arrangements for councillors. The guide is available as a free download with a link from the LGA website.

Regional Induction Events

15. A series of 8 one-day events for new councillors were delivered during November and December 2011. The events were organised in cooperation with the LG regional bodies with over 440 councillors attending. The events were aimed at helping new councillors to understand the Localism agenda and how it impacts on their role as ward councillors.

16. The 2012 programme of events are being planned. This will be a series of 5 and will be spread over July – September to link more closely with local and regional induction programmes. The focus will be more on introducing new councillors to some of the key national issues and the role of (and services available from) the LGA.

Be a Councillor

17. On 1 February we hosted a reception with over a hundred MPs and councillors to launch a refreshed 'Be a councillor' campaign in Parliament. The 'Be a councillor' campaign aims to celebrate the important work councillors do and encourage new candidates to come forward. A series of council-based pilots are being conducted. Two have so far been arranged - with Suffolk and Bury Councils.

National Graduate Development Programme

18. Recruitment for Cohort 13 was completed. 47 trainees (in 26 different councils) started in October with a national induction event on 20-21 October 2011. A new development programme has been created focusing on their practical, creative and leadership skills. This will start in April 2012 and lead to an ILM accredited Certificate in Strategic Leadership. The programme will be delivered by INLOGOV and SOLACE Enterprises.

19. Nearly 2,500 applications were received for Cohort 14. Shortlisting has begun and a new assessment process is being put in place. We are actively promoting the scheme to councils to increase the number of councils engaged in the scheme.

20. On 9 February we published A Brighter Future, a report by iMPower and SOLACE Enterprises, discussing the importance and future direction of the NGDP. The report is based upon a wide consultation with stakeholders and highlights the value of the scheme in securing a talent pool of future senior managers and also in terms of the return on investment for the councils involved. The report will help to promote interest in the scheme amongst councils.

21. As previously reported significant savings have been achieved by redesigning the development programme and by bringing marketing and selection processes in-house.

Key developments for 2012/13

22. Specifications are being developed to put the delivery of Leeds Castle, Next Generation and Be A Councillor programmes out to competitive tender.

23. To enhance our broader councillor development offer we are developing a series of half-day modules around each of the workbooks. These will be made available to councils as training packs for internal training and development.

Item 2

24. As reflected in the proposed 2012/13 programme plan, we plan to work with the Centre for Public Scrutiny (CfPS) to develop materials and approaches to develop councillors as *Champions of their Patch*. The CfPS is currently undertaking some scoping work for us to:

- 24.1 Define the role of the councillor as “champion of their patch”.
- 24.2 Map the materials CfPS that can be used or adapted.
- 24.3 Map the skills and knowledge councillors will need for the role.
- 24.4 Outline and costing the delivery options.

25. During 2012/13 we will be scoping and delivering a programme for aspiring councillors from under-represented groups, particularly women.

Financial Implications

26. There are no additional financial implications. The programme has been delivered within the budget set for 2011/12. The continuation of these programmes and the key developments highlighted have been costed into the proposed budget for 2012/13 as part of the programme planning process.

Productivity Programme: 2012/13 Work Programme and Update

Purpose

For discussion and direction.

Summary

The report introduces the 2012/13 productivity programme to the Board and provides an update on existing work within the programme. Members are asked to provide direction on the 2012/13 programme and note the progress made on the 2011/12 programme.

The Productivity Programme is now in its second year of operation. A number of pathfinder programmes are now underway delivering real and tangible support for councils. It is estimated the programme is helping to drive productivity and efficiency savings of £90m. Further work has been carried out on the draft programme for 2012/13 and is set out in the report.

Recommendations

1. Note the progress made in the delivery of the existing productivity programme attached at **Appendix 1**.
2. Provide any further direction on the programme for 2012/13:
 - 2.1 Capital assets and economic growth (paragraphs 4 - 6)
 - 2.2 Troubled families (paragraphs 16 - 21)
 - 2.3 Shared service (paragraphs 22 - 24)
3. Decide whether we should sign the procurement pledge (para 7 – 15 and **Appendix 2**) or alternatively devising with the sector a local government version.

Contact officer: Andrew Hughes
Position: Productivity Programme
Phone no: 07909 534 185 / 0207 664 3192
E-mail: andrew.hughes@local.gov.uk

Productivity Programme: 2012/13 Work Programme and Update

Background

1. The Board approved a range of productivity initiatives at its meeting in November 2011 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.
2. An update of this work is attached at **Appendix 1**.
3. The Board's January meeting received initial proposals for the 2012/13 programme in relation to capital & assets/economic growth, troubled families and shared services. Where these proposals relate to other Boards, officers are working with colleagues across the LGA to ensure that they are in line with those Board's priorities.

Asset management and economic growth

4. In recent months Government policy emphasis has shifted towards initiatives that deliver economic growth as well as drive deficit reduction. In December 2011 the Government published its Unlocking Growth in Cities report for the 8 core cities, commenting:

"[Growth] will be created in individual places where people and businesses work, trade and innovate. Our cities have a crucial role to play: they account for 58% of England's population and 61% of its jobs. When their wider commuting areas are taken into account, this rises to 74% of population and 78% of jobs"
5. The aim of the 2012/13 Capital and Assets Programme (CAP) will be to reduce expenditure and promote economic growth through the use of realised and retained assets. It will encourage councils to use the opportunities and flexibilities that lie within the Localism Act, the Government Cities programme and other initiatives to promote growth in order to deliver the following measurable outputs:
 - 5.1 Jobs created;
 - 5.2 Housing built or refurbished (by both the public and private sector);
 - 5.3 Redundant public sector space used for alternative employment use;
 - 5.4 Reduction of expenditure in public sector capital assets; and
 - 5.5 Carbon reduction.
6. The programme will progress the work of capital and asset rationalisation across the public sector, with councils establishing the partnerships and leading for the

Item 3

public sector in their area. Subject to resources, we will select 10 to 15 councils who are able to demonstrate a desire to encourage growth in their area; have proposals to implement that ambition; a willingness to engage with private and public sector partners to plan for growth; and who can match fund the initial investment offered by the LGA. If applied nationally, this programme could generate very substantial revenue and capital savings over the next ten years.

Procurement Pledge

7. The Government is keen to stimulate economic growth. Public procurement is seen as key way of achieving this, and within that there has been a particular emphasis on increasing spending with small and medium size enterprises (SMEs: companies with 250 employees or less) and Government have set an aspiration to achieve 25 per cent of government spend with SMEs (currently this stands at 7% for central government). Parts of local government currently achieve over 80%.
8. A Procurement and Growth Round Table meeting was held in December to discuss the potential for a procurement concordat to stimulate economic growth. The Government has issued a draft Procurement Pledge and is looking for the public sector, including the LGA on behalf of local government, to sign-up to the pledge by April 2012. The full draft pledge is at **Appendix 2**.
9. We are sceptical that the pledge adequately recognises the strengths within local government procurement or is appropriate to what it purchases. We have suggested devising a local government version of the pledge that better recognises local government procurement and our desire to support social enterprises and the voluntary sector. The Cabinet Office has agreed to explore this.
10. The Cabinet Office are also promoting the concept of publishing future spends (a spending 'pipeline') and are likely to want local government to do this alongside other government departments. Pipelines would publish future spend intentions, possibly projecting five years into the future, along with confidence ratings. Current expectations are that the pipelines would be updated every six months and could involve councils making returns to multiple government departments for this. Getting local government future spend into the spending pipeline may be complex and costly and it is difficult to see how this would be more beneficial than existing practices. It is also against the Improvement Board's policy stance of reducing data burdens rather than adding to them.
11. Councils in most regions already publish their procurement intentions in regional portals and OJEU where appropriate. Increasingly these regional portals are linked to the government's own portal (Contracts Finder). Councils are also under a requirement via the Code of Recommended Practice on Data Transparency to

Item 3

make available copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector.

12. Last year we set up National Advisory Group for Local Government Procurement to enable closer working with those who actually do the purchasing for local government. Having discussed the proposed Concordat with this Group, they have indicated that:

- 12.1 It is not clear what government are actually trying to achieve;
- 12.2 There is concern about what some of the commitments actually mean (e.g., spend pipelines and the 120 days commitment);
- 12.3 It potentially conflicts with the way local government seeks to use procurement to support local businesses and SME's; and
- 12.4 There is too much emphasis on supporting industry when councils are also looking to support a mixed economy including the voluntary sector.

13. Improvement Board's views on the Procurement Pledge and proposals around spending pipelines would be welcome so that we can respond to the Cabinet Office.

14. Members will be aware that the terms 'commissioning' and 'procurement' are often used interchangeably, and although they are related activities, there is a distinction. Broadly, commissioning is the process of identifying needs & outcomes, and developing policy & service design - and the market - to meet those needs. Procurement is the process of buying those goods and services.

15. Evidence suggests that the LGA has a coherent strategy around supporting the sector on procurement, and that most councils procure reasonably well. We accept that that story is not always articulated or evidenced as well as it might be. There is also a need to increase awareness of the strategic commissioning role; disseminate good practice achievements and ensure that Members and officers have the skills and the confidence they need to deliver ambitious commissioning approaches. A cross-team group of LGA officers is working to develop a coherent LGA offer of support to councils on strategic commissioning.

Troubled families

16. Department for Communities and Local Government (DCLG) currently estimate that we spend £9 billion per annum on 120,000 troubled families in England; £8bn of that is spent reacting to the troubles of these families and £1 billion on trying to turn around the lives of these families in a targeted, positive way. We are working across the LGA and within the Troubled Families Unit at the DCLG to scope out a support offer to councils for families with complex needs.

17. Members will be aware that the Government Programme involves some £448m distributed pro rata to councils depending on their share of 'troubled families'.

Item 3

The majority of this money will be distributed “in arrears” based upon a Payment By Results mechanism, but all local authorities have accepted an initial £29,000 to recruit a local co-ordinator, and there will also be an “up front” attachment fee to assist councils with their preparations.

18. Councils are likely to put in place different arrangements with their local partners (JCP, MoJ, NHS, etc) to bring to bear that collective support that delivers best results. It is likely that some of these arrangements will be more effective than others and that with such a big prize at stake, it is important to understand the arrangements that best help prevent a further cohort of 120,000 troubled families developing over the next 5 -10 years.
19. It is therefore intended that we work with a small number of district and county councils focussing on their local re-design of key services in order to understand what best practice is – why some solutions appear to work better and more consistently than others. The desired outcomes would be beneficial to the families themselves; the community in which they live; the council and partner organisations and the taxpayer. Improved outcomes for families will be measured by DCLG ‘headline goals’ - parents in work, children in school, reduced crime and anti-social behaviour. It is anticipated that productivity gains will be realised through the reduced flow of ‘troubled families’ coming to the attention of the local authority, de-commissioned services and related resource reductions.
20. In the short term we are speaking to a number of consultancies who have undertaken extensive work on this topic and a number of local authorities that are acknowledged to have undertaken significant steps to improve the lives of families with complex needs within their areas. This will include district as well as county councils.
21. The proposal will support and complement the work being led by the LGA, as part of the national payment by results initiative to support families with complex needs. A full proposal, that identifies savings to councils, will be developed over the coming months.

Future Challenges and Fundamental Transformation

22. It is clear that the financial challenges facing councils are going to be around for some time to come. To address these future financial challenges councils will need to think very differently. We have already seen previously unpalatable and difficult options become more acceptable in order to save costs. Many councils have worked together to share Chief Executives, management teams and services in order to release efficiencies and improve services. The on-line shared services map shows over 220 councils sharing services with a total efficiency savings of £165 million.

Item 3

23. For councils who have shared services and management, applied systems thinking and LEAN processes, and improved their procurement practices the question for them is 'what should we do next?' The need to think and do something completely fresh is urgent, and the LGA is keen to work with, and where appropriate fund, a group of councils enthusiastic to try out radical approaches.
24. We are looking for practical, bottom up solutions rather than to revisit the current approaches. We want to build on, not duplicate, the previous work of the 2010 Future Ways of Working workstream and Future Summits held in 2011. Working with the Local Government Delivery Council, the District Councils Network and participants of the recent Shared Chief Executives roundtable will help identify 3 to 4 potential clusters of councils to work with on this issue.

Financial Implications

25. The business plans for 2012/13 includes resources to develop the productivity programme to support councils improve productivity. Capacity to support the programme has also been built into the LGA budgets and business plan.
26. Further grants to deliver this programme are being sought from Communities and Local Government and the Department for Health with respect to programmes that will operate in their area.

Appendix 1 - Progress made on the current work programme

Adult Social Care Efficiency Programme

1. Forty five projects have now been selected for this programme and will shortly receive funding from the LGA for their work. Over £1m has now been allocated to councils as part of this programme, including £300,000 Department of health funding. We will continue to support and work closely with these councils over the coming year as they move into the implementation phase; it is expected that the programme will help councils save at least £50m.

Procurement Category Management Pilots

2. We have been able to fund eight pilots involving 72 councils, to work on the big spend categories. The launch of this programme, and the naming of pilots, generated significant interest from councils highlighting their desire to seek help, share best practice and improve in this area. We will continue to support and work closely with these pilots over the next year and use the National Advisory Group to share good practice.

Productivity Experts and Masterclasses

3. The take-up of productivity experts is increasing steadily. There has been particular interest for productivity experts in the areas of procurement and contracting and this is an area where seed funding is leading to significant efficiency savings. For example:
 - 3.1 providing a district council with a contracts negotiating expert to renegotiate their 4 largest contracts to realise an efficiency saving of £1 million a year. The council's capacity is being built as officers are trained in the tactics and knowledge required for complex contract renegotiation.
 - 3.2 securing an expert from another council in the region to help the council implement systems thinking across all services and achieve £500,000 of savings in 2012/13.

Children's Commissioning and Productivity

4. This work was developed and commissioned as part of the productivity programme, for and on behalf of the Children's Improvement Board, where it will be taken forward. A delivery partner has now been identified and they are commencing the engagement with council's children services.

Item 3 : Appendix 1

Waste Management Pilots

5. The background research phase of this programme is now complete and a water authority provisionally identified for the pilot phase. We are now identifying new housing developments in the area for the trial installation of macerators to enable food waste to be disposed of through the foul water system and seeking final agreement among local partners.
6. We have produced a guidance document for councils that are considering submitting a bid to DCLG's £250m Weekly Collection Support Scheme. We are also in discussions with DCLG to develop a series of roadshows providing more tailored support to councils as they develop their bids.

Capital Assets Pathfinders (CAP): Wave 2

7. Pilot councils in the CAP Wave 2 have submitted their detailed business plans. These are currently being evaluated. Early indications are that most are of a high quality and will deliver the expected savings; however, some will require more intensive support to deliver the savings.

Appendix 2 - DRAFT Procurement Pledge

Improving public procurement to better support growth

The Government's economic policy objective is to achieve strong, sustainable and balanced growth. The way in which the UK conducts its public procurement activities has a role to play in helping to create conditions that can stimulate growth.

A package of measures was announced by the Minister for the Cabinet Office on 21st November 2011¹, supported by commitments in the Autumn Statement on 29th November 2011², that will encourage Government to take a more strategic approach in the way that it does business, including focussing more on longer-term needs so that it can better develop and manage its supply markets. This will not only ensure that Government gets the best value for money through better, more efficient public procurement, but will also help the market to prepare better and cater for future demand by ensuring that the right capabilities are in place.

Purpose

This Pledge sets out an agreement between Government and industry (including large and small companies) underpinning the commitments made by the Minister for the Cabinet Office and those made in the Autumn Statement. It provides a framework for Government and industry to work together in achieving these commitments.

This Pledge is also open to wider public sector organisations and regulated industries, who also be encouraged to sign up to the Pledge.

This Pledge provides a mechanism for which industry and suppliers can hold Government and public sector signatories to account.

This Pledge does not replace existing concordats, charters or codes of practice between Government and industry.

Accountability

The Cabinet Office and Department for Business, Innovation and Skills will take the lead in embedding this Pledge across Government and will work with industry, wider public sector organisations and regulated utilities to promote and encourage the take up of this Pledge across the wider public sector and regulated industries.

Government's 'Mystery Shopper' service is available to industry as the mechanism for reporting instances of non-compliance where it believes a public body who has

¹ <http://www.cabinetoffice.gov.uk/news/radical-package-unveiled-support-business-and-promote-growth>

² http://www.hm-treasury.gov.uk/as2011_index.htm

committed to Pledge is not adhering to it. Such instances should be reported to: supplierfeedbackservice@cabinet-office.gsi.gov.uk.

To reinforce this further, Non-Executive Directors within central government departments will challenge their departments on compliance. Persistent non-compliance will be escalated to departmental Ministers. Wider public sector bodies and regulated industries are encouraged and will be supported to adopt a similar best practice approach.

Pledge Commitments

The Pledge is based on Government's 5 key commitments to:

1. Provide industry with greater certainty

To meet this commitment, Government and wider public sector signatories will:

- Provide industry with greater visibility of future public sector demand (future procurement pipelines) over the medium term, together with a confidence rating to give industry greater confidence to invest for future business.
- Work with industry in developing these procurement pipelines to ensure that pipeline publications contain meaningful information that is of use to industry, and that information is presented in a coherent way.

2. Operate an open door policy for business

To meet this commitment, Government and wider public sector signatories will:

- Improve the way it engages with industry by developing a more strategic relationship with suppliers that includes more effective supply chain management and greater strategic dialogue with the supply base.
- Engage more with the market pre-procurement before embarking on a major procurement, rather than waiting until the formal procurement process starts before engaging with potential suppliers. This will be supported by greater use of outcome based specifications to allow for greater innovation from the market and better value for money and allow greater involvement of the market in shaping specifications.
- Engage with industry where appropriate, and using the forward procurement pipelines information, when establishing which contracts or programmes will be broken into smaller contracts.

3. Provide industry with greater simplicity

To meet this commitment, Government and wider public sector signatories will:

- Improve supply base accessibility to public procurement through a more streamlined procurement process that will ensure that all but the very biggest and most complex procurement processes are completed within 120 working days (from OJEU to contract award).
- Eliminate unnecessary use of lengthy and costly procurement processes, such as the Competitive Dialogue process, unless its use can be justified.

4. Identify capability gaps in supply chains that need to be addressed to meet future demand.

To meet this commitment, Government and wider public sector signatories will:

- Help the market to prepare better and cater for future needs by working with industry to establish the capabilities (key skills, technologies and knowledge) needed to deliver projected public sector future demand. This will help us align our wider economic policies in the context of global markets.

5. Back business when bidding for contracts overseas

To meet this commitment, Government and wider public sector signatories will:

- When procuring public goods, consider how best it can optimise the export potential of these goods it intends to procure.
- Help supplier access high value export opportunities through UKTI.

To ensure successful delivery of these commitments, Government will make sure that staff are equipped with the right skills to deliver these commitments through the creation of a better procurement profession that fully develops and trains its staff. This will include improved leadership and mentoring as well as systematic career development. Government will also leverage existing skills across government.

What Government expects from Industry

To help deliver these commitments Government will look to industry and its leaders to:

- Engage with Government and the wider public sector in the development of forward procurement pipelines, recognising that some pipelines may change following publication.

- Work with Government (and the wider public sector) and their supply chains to identify capabilities needed to deliver future demand and to pinpoint any capability gaps.
- Plan strategically and work with their supply chains to meet these needs where there is an intention to do business with Government and the wider public sector.
- Actively engage with Government and the wider public sector in pre-procurement dialogue.
- Inform Government of good/best practice across Government and the wider public sector and challenge other departments or public bodies to adopt similar approaches.
- Report, using the 'Mystery Shopper' service, any non-compliance or deviation of the commitments from Government or wider public sector organisations who have signed up to meeting them.
- Promote and encourage the use of Government initiatives (such as the 'Mystery Shopper' service) in support of this agenda amongst their members and/or supply chains.

Creative Councils Update

Purpose

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.

Contact officers:

Mike Short

Teresa Payne

Position:

Senior Adviser

Senior Adviser

Phone nos:

07799 038432

07879 640823

E-mail:

mike.short@local.gov.uk teresa.payne@local.gov.uk

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.
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. There are four planned 'Inspiring Learning Events'. The first took place on 15 December 2011 and the second on 14 February 2012, with the other two taking place over the next few months. The first learning event 'Inspiring Innovation in Investment' 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).
8. The event featured:
- 8.1 Gorka Espiadu – Learning from the Social Innovation Park in Bilbao, Spain. E.g. 'foldable electric cars' for hire like a 'Boris Bike'.
 - 8.2 Katherine Freund – Learning from iTN in Boston USA. E.g. meeting transport needs of older people via use of private car sharing.
 - 8.3 Steve Rothschild – Learning from Human Capital Bond in Minnesota, USA. E.g. raising social investment in 'payment by results' interventions.
9. The second Learning Event was held 14 February 2012. 'Inspiring Innovations to Tackle 21st Century Challenges': these include an ageing population, families facing complex problems and responding to changes in the way people communicate in the 21st century to name but a few.
10. The event was designed to inspire innovation among local authorities by giving an opportunity to learn and hear from three inspirational speakers, who shared their experiences of innovations designed to tackle some 21st century problems. Case studies included:

- 10.1 Eltern AG, Germany: a neighbourhood-based, self-help parenting training programme supported by mentors and public service providers. The programme aims to empower low income, isolated parents to form peer networks and social support groups in order to tackle inequalities in educational outcomes.
 - 10.2 PolicyPitch, New Orleans: provides a social network platform where people can pitch policy ideas, track local decision making and find the collaborative tools to take action;
 - 10.3 Demola, Finland: an open innovation platform that brings together university students with local businesses to create new solutions to real-life business and societal challenges. Companies bring project ideas for student teams to cultivate solutions to, giving them real life research experience and providing an inspiring atmosphere of creative co-creation.
11. On 22/23 February the second 'Creative Camp' for all 17 Creative Councils was an opportunity to share experiences on their respective progress and any shared learning. The main feature was for each of the 17 Creative Councils to 'pitch' their ideas and progress to a panel of peer representatives from fellow Creative Councils, NESTA and LGA. All of them found this to be an invaluable exercise in preparing for wider dissemination to the sector and many are incorporating the panel's suggested 'added values' to their proposals and methods of presentation.
12. Other very useful sessions included themed discussions around the following;
- 12.1 Moving ideas into implementation.
 - 12.2 Managing partners and stakeholders.
 - 12.3 Not losing sight of the problem in designing the solution.
 - 12.4 Developing ideas to appropriate scale.
 - 12.5 Managing the change of pace required.

Planned activities

13. 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 between April and May. Each of the 17 Creative Councils are required to submit their final action plan by 26 April that will include the feedback they have sought from the sector on their idea. The Selection Panel will announce the final 5 or so at the end of May.
14. 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 Board will be invited to contribute.

Conclusion

15. 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

16. 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.

Resident Satisfaction Questions: LGA Consultation

Purpose

For discussion and direction.

Summary

This report provides an update on work the Research and Information Team is doing to develop a set of questions and accompanying guidance that the sector can use to collect some broadly comparable data on resident satisfaction.

Recommendation

The Improvement Board to note the work, and the consultation with the sector that is currently underway at www.local.gov.uk/about-lginform.

Action

The Research and Information Team will take this work forward in the light of the Board's views on the issues raised in the consultation, and on the plans for this work stream in general.

Contact officers: Juliet Whitworth
Position: Research and Information Manager
Phone no: 020 76643287
E-mail: juliet.whitworth@local.gov.uk

Resident Satisfaction Questions: LGA Consultation

Background

1. When the Place Survey was abolished, with it went any comparable information about resident satisfaction (and other resident perceptions). With the development of LG Inform, the lack of up to date resident satisfaction information was identified as a key gap by councils, the consultants working with us at the time, and by senior management in the LGA. This is on the basis that understanding resident or customer views is a key element of assessing the effectiveness of an authority, alongside cost and performance information. Furthermore, understanding resident satisfaction and being able to make informed comparisons can strengthen local accountability and be a key part of the sector's approach to managing its own performance.
2. Although there is no appetite to reinvent the Place Survey, we commissioned some research from Ipsos MORI to look at whether a set of questions might be developed that councils can use locally in their own residents surveys, which would be of a good enough quality for comparisons between them to be made.
3. Ipsos MORI have conducted reviews of questions still being used by the sector, of research literature about what works, conducted interviews with leaders and chief executives about their expectations and views of such questions, and tested a series of questions with members of the public.
4. On the basis of this, the Research and Information Team is recommending a set of questions and associated guidance on how to use them. The aim is **not** to introduce a new sector survey: but simply to recommend a set of questions that can be used on a voluntary basis by local authorities that, if they follow the guidance, will produce results that will be broadly comparable.

Consultation

5. We are now consulting councils on that suggested set of questions for residents' surveys, and the associated guidance. The guidance includes requirements for elements such as where in the questionnaire the questions are included, the order of questions, and the method (postal, online, telephone or face to face) that is used to conduct the survey. In order for the data to be comparable across a range of different surveys in different authorities, it will be a requirement that the guidance is followed – this may require councils to compromise on the questions

20 March 2012

Item 5(a)

they are asking and how they have done this before. But it will be essential this guidance is followed if we want the data to be of a good enough quality for comparison. Authorities can of course continue what they've been doing; it will simply preclude them from using LG Inform to make comparisons.

6. The consultation has been published alongside a more detailed report of the work Ipsos MORI did, so people can see how we arrived at our recommendations. The closing date of the consultation is **Thursday 19 April**.
7. The intention is that, once agreed by the majority of the sector, these questions will be used on a voluntary basis by authorities in their own local surveys and, providing the authority followed the guidance about asking the questions, the results could then be used by the sector for benchmarking.

London Councils

8. Part of the research that supports this work was funded by London Councils, as the set includes some questions on perceptions of crime and cohesion that they identified would be of particular interest to their members – and other metropolitan authorities agreed would also be useful to them. This consultation is therefore jointly badged by the LGA and London Councils.

Next steps

9. Assuming there is broad support for our proposal, we then would publish the final questions and guidance so that authorities can start using them, with a view to inputting their results into LG Inform in the autumn (when our ability to collect local data will come on stream).

Update on Transparency: March 2012

Summary

This report gives an update on recent developments and ongoing work related to transparency, to meet the objectives of the work plan agreed at the last Improvement Board in January 2012.

The report also gives an update on the issue of councillor notification under the Data Protection Act, provided by the Information Commissioners Office.

Recommendation

The Improvement Board to note the ongoing work of the transparency programme, and comment where appropriate.

Action

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

Contact officers: Juliet Whitworth/ Gesche Schmid
Position: Research and Information Manager/ Programme Manager – Transparency
Phone no: 020 76643287 / / 020 76643290
E-mail: juliet.whitworth@local.gov.uk/
gesche.schmid@local.gov.uk

Update on Transparency: March 2012

1. This report gives an update on data transparency and policy issues since the last Improvement Board in January, and outlines some development work to be undertaken by the Research and Information Team over the next few months.
2. Since January we have engaged with key government departments involved in transparency including the Department for Communities and Local Government (DCLG), the Cabinet Office and the Information Commissioner's Office (ICO) to discuss policy and regulation around the code of practice on transparency, the open data policy and information assurance. Meetings have been proposed with the Department for Work and Pensions (DWP) to lobby for access to data, the Ministry of Justice (MoJ) to determine the impact of proposed changes to the Freedom of Information Act and the Department for Transport (DfT) to consider opening up of local government transport data identified in the open data measures autumn statement. We are meeting with the Department for Environment, Food and Rural Affairs (Defra) on an ongoing basis to assess the impact of INSPIRE on local authorities.

Open data policy

3. The Cabinet Office has published the response to the 'Making Open Data Real' consultation and is working on an open data policy white paper planned for publication in late spring. Currently, the Cabinet Office is working on governance arrangements for transparency and the set-up of the Open Data Institute, which will advise government on open data policies and innovation. The LGA Research and Information Team has been invited to present LG Inform and the local government approach to open data at the next Transparency Board meeting at the end of March.
4. In addition, we are planning to meet with DWP to discuss the opening up of datasets of relevance to local government including information about the National Work Programme. We are also compiling a list of other datasets we would like to be opened up to local authorities, such as academy data submissions, meals on wheels data, and the HMRC register for voluntary and charitable organisations and social enterprises. This list will be presented to the Cabinet Office for them to consider. In the meantime, central government departments have submitted their proposals for open data strategies.

Item 5(b)

Code of practice on transparency

5. The code of practice on transparency, published by DCLG in September, defines what data local authorities have to publish as good practice. Recent research by the National Audit Office revealed that, of the councils reviewed, 89 per cent have published spending data by month, and 88 per cent have published senior pay information.
6. The code is currently voluntary, but DCLG is seeking to make it mandatory through regulation. However, our recent discussions with the ICO suggest that secondary regulation may be in conflict with the proposed amendments to the Freedom of Information Act under the Freedoms Bill (which intends to change the requirement to give access to information, to a requirement to provide information for reuse).
7. We are now awaiting the outcome of the Freedoms Bill review and the proposed consultation on the regulation to make the code mandatory before we review our existing guidance (in collaboration with DCLG and the ICO) to help authorities meet the requirements of open data. In the meantime we are supporting local authorities to make better use of data through the collation of best practice, support to develop robust standards for comparing spending data, and the further development of LG Inform.

Councillor notification for data protection

8. The ICO requires councillors to be independently registered under the Data Protection Act. While the work within the council is covered under the local authority registration, and canvassing is covered under the party political registration, constituency work is regarded as independent work which requires separate notification. However, the ICO acknowledges that parish councillors and small constituencies could be registered under a no-fee arrangement. This would be in line with no-fee registration for sole traders. However, at the moment, a decision on how to progress this is pending agreement between DCLG and MoJ. The LGA continues to lobby to get this resolved in favour of local authorities. Further advice for councillors is available at:
http://www.ico.gov.uk/for_organisations/sector_guides/~media/documents/library/Data_Protection/Practical_application/advice_elected_and_prospective_members_local_authorities.ashx.

Information assurance

9. Local authorities are responsible for ensuring that personal information is handled properly and that vulnerable people are protected. The Information Commissioner (IC) has raised a concern to local authorities, in a joint letter with the permanent

Item 5(b)

secretary from DCLG, about recent incidences of data loss – in particular when services are outsourced. The IC emphasises that the authority is still liable if it has not taken care to ensure that contractual obligations are being followed out in full.

10. With the proposed changes to the health and social care bill and the extra responsibility for public health, it is important that information governance receives high level support in local authorities. Failure to protect can lead to substantial fines of up to £500,000 and a loss of confidence in the ability of local authorities to handle personal data properly. Transparency and the opening up of data have to go hand in hand, to ensure that personal and sensitive data is protected. The ICO is providing guidance, and the LGA will promote best practice through further signposting and training.

Impact assessment of INSPIRE

11. The European INSPIRE regulation requires authorities to publish certain data with location/geographical information to specific standards, which are likely to have cost implications for councils. A recent LGA survey revealed that only 5 per cent of local authorities have the capability to meet the technical requirements of these standards, whereas more than half have less than 50 per cent capability to comply. The LGA is currently evaluating a range of possible solutions for meeting the technical requirements and the associated costs of INSPIRE generally, to be presented to Defra as part of an impact assessment. However, it is anticipated that local authorities will benefit from INSPIRE because it will lead to better internal data management, easier access and reuse of data to meet their own needs, better decision making from that data, and fewer burdensome data requests as data are more easily accessible.

Single Data List

12. The single data list, which is the list of all data returns that local authorities must make to central government, will shortly be published for 2012/13. We are expecting it to contain a reduced list of data returns compared to last year, although there are still likely to be around 160, which still feels very burdensome.
13. The LGA is currently working with DCLG officials to set up a gateway process to challenge future additions to the single data list and, as importantly, review existing returns on the list with a view to reducing it further.

Comparable data

14. DCLG will shortly be publishing an accountability system statement, that describes accountability within local and central government. DCLG notes that the public requires comparable information on spending and the outcomes

Item 5(b)

achieved by councils, to be locally accountable; and that they are supporting councils with their efforts to improve the availability of comparable data. DCLG have indicated that they will be encouraging councils, on a voluntary basis, to publish data on their websites to allow citizens to easily compare local performance and spend. This will be likely to take the form of letter from the permanent secretary to chief executives.

15. The LGA and DCLG ran a workshop with councils in February to discuss the voluntary publication of spend and performance data on their websites. They gave DCLG a strong steer that LG Inform should be used to help authorities do this easily, rather than need each council individually to have to pull together such data or give each authority a spreadsheet of comparable data to publish.
16. As a result of this, the LGA is currently reviewing how LG Inform might be developed to help with this exercise. In particular, we are focusing on work to allow authorities to build their own headline report of comparable data, in which they can select data items that reflect local priorities. They will then be able to save this report as a pdf file that they can publish on their council website. This option will be offered to authorities who choose to undertake this voluntary exercise, and will be mentioned in the letter that the DCLG permanent secretary is planning to send to chief executives.

Next steps

17. We are meeting with Cllr Cheetham in March to discuss proposals for a transparency strategy, demonstrating best practice and benefits from making use of open data. We will be seeking views from Members and officers about the form transparency takes at a local level, and how it can support people and businesses locally.

Note of decisions taken and actions required

Title: Improvement Board
Date: Tuesday, 17 January 2012
Venue: Local Government House

Attendance

Position	Councillor	Council
Chairman	Peter Fleming	Sevenoaks DC
Vice Chairman	Jill Shortland	Somerset CC
Deputy-Chairman	Ruth Cadbury	Hounslow LB
Deputy-Chairman	Jeremy Webb	East Lindsey DC
Members	Rod Bluh	Swindon BC
	Michael White	Havering LB
	Richard Stay	Central Bedfordshire Council
	William Nunn	Breckland DC
	Tony McDermott MBE	Halton BC
	Tim Cheetham	Barnsley MBC
	Helen Holland	Bristol City
	Judith Blake	Leeds City
	Edward Lord OBE JP	City of London Corporation
Substitutes	Tony Jackson	East Herts
Apologies	Teresa O'Neill	Bexley LB
	John Taylor	Northumberland
Observers/Other attendees	Cllr Paul Bettison	LGA Conservative National Lead Peer
	Philip Sellwood	Energy Savings Trust (Chief Executive)
	Julie Carney	Department for Communities and Local Government
	Cllr John Kent	Thurrock Council (Leader)
	Graham Farrant	Thurrock Council (Chief Executive)
LGA Officers	Dennis Skinner, Brian Reynolds, Nick Easton, Pascoe Sawyers, Juliet Whitworth and Ian Carbutt	

Item	Decisions and actions	Action by
1.	<p>Welcome and Introductions</p> <p>The Chairman welcomed members, observers, guest speakers and officers to the meeting and informed the Board of those apologies that had been received.</p>	
2.	<p>Improvement Board - Priorities for 2012/13</p> <p>The Chair briefly outlined the report, which asked members to comment on and contribute to the 2012/13 priorities for the Improvement Board and the Association as set out in the draft Business Plan. Feedback would be relayed to the Leadership Board, to inform the final Business Plan, which would be signed off by the Executive in March.</p> <p>A detailed discussion followed, in which members made a number of comments relating to issues including:</p> <ul style="list-style-type: none"> • the need for the LGA's priorities to better reflect the vision for local government in the future; • the significant number of priorities identified and potential overlap between them; • the omission of several strategic issues; • the relationship between the Board's priorities and performance indicators. <p>In light of the discussion, the Chairman invited Members to submit their comments and suggested amendments in writing to Dennis Skinner (Head of Leadership and Productivity).</p> <p><u>Decision</u></p> <p><i>The Improvement Board agreed that Members' comments and suggested amendments relating to the priorities in the Business Plan be relayed to officers finalising the Business Plan. .</i></p> <p><u>Action</u></p> <p>Officers to collate and circulate Members' comments regarding the priorities in the Business Plan, prior to feeding the Board's views into the Leadership Board to inform the final Business Plan.</p>	<p>Dennis Skinner / Mike Short</p>

3. Order of Business

The Chairman indicated that the presenters for the 'Sector Led Improvement' item would be arriving part way through the meeting. This item would therefore be postponed until later on the agenda.

4. Future Arrangements for Audit

Councillor Stay declared a personal interest in the item.

Nick Easton (Senior Advisor) introduced the report, which outlined the latest position with regard to the Government's proposal for the future of local public audit. Julie Carney from the Department for Communities and Local Government verbally updated Members on the most recent developments, including: the Government's proposals for the future of local public audit in the light of the earlier consultation exercise, the anticipated legislative timescale, engagement workshops with the sector and the processes for outsourcing the work of the Audit Commission's Audit Practice. With reference to potential cost differences between commissioning 3 year or 5 year contracts, Julie Carney asked Members to provide a steer on the sector's preference in terms of contract length.

In the ensuing discussion, Members made a number of comments and questions, which were responded to by Julie Carney, relating to issues including:

- the sector's preference for 3 year contracts over 5 year contracts if there was little difference in cost;
- strong support for the sector undertaking their new role in appointing their own auditors without delay;
- serious concerns that the Government's proposals would not lead to a more competitive audit market in the long term;
- discord between the principles of Localism and the prescriptive nature of the Government's proposals for appointing local public auditors and the need to address this imbalance;
- concern regarding the future role of the National Audit Office above and beyond regulating the register of local public auditors.

Given the cross party consensus and strength of feeling regarding the issue, Members suggested that Board write to the relevant Ministers setting out the Board's concerns and recommendations and ensure that members of the LGA Executive are informed.

Decision

*The Board **agreed** to write to the relevant Ministers setting out the Improvement Board's position regarding the Government's proposals for the future of local public audit.*

Action

Officers to draft a statement, for Members' approval setting out the Board's position on the future of local public audit; and prepare a letter setting out the Board's position regarding the Government's proposals for the future of local public audit.

Nick Easton

5. LG Inform – Progress Report

Juliet Whitworth (Research and Information Manager) and Ian Carbutt (Programme Manager) provided a PowerPoint presentation outlining the progress made with the LG Inform programme, coupled with a live demonstration of the tool. In terms of promoting the tool, officers were regularly travelling to regions in order to meet groups of local authorities. In the ensuing discussion several issues were raised, including:

- that the level of uptake of LG Inform would be a significant measure of its success;
- the need to commit appropriate resources to market the tool effectively;
- the potential scope for training a wider pool of Members and officers with the knowledge and skills to promote LG Inform within the regions;
- the potential long-term implications for public sector practices in terms of buying and selling data;
- scope for improvements to the visual appearance and user-friendly nature of LG Inform.

Decisions

That the Board:-

- **noted** the progress made in delivering the LG Inform programme to date; and
- **asked** that their comments be taken into account in the development of the LG Inform programme.

Action

Officers to continue to develop the programme in line with the progress made and taking into account Members' comments.

**Julie Whitworth /
Ian Carbutt**

6. Update on Transparency and Open Data Measures

Juliet Whitworth introduced the report, which updated Members on the ongoing work on data transparency as well as key developments in this area. In particular, Members were asked to confirm the continued need to address this expanding area of work and agree the proposed work plan set out in paragraph 10 of the report.

Members confirmed their support for the proposed work plan and emphasised the importance of continuing to lobby Government about the costs to local authorities associated with making data publically available and the benefit to councils of Government being more open with the data it holds, particularly around worklessness and child poverty.

Decisions

That the Board:

- **confirmed** the need to address the new and expanding area of work around Transparency and Open Data Measures;
- **agreed** the work programme as set out in the report, subject to the inclusion of a reference to the Department for Work and Pensions in paragraph 10.1; and
- **asked** that their comments be taken into account in the development of this work.

Actions

Officers to continue to develop the programme in line with the progress made and taking into account Members' comments.

**Julie Whitworth /
Gesche Schmid**

Officers to include a reference to Department for Work and Pensions in paragraph 10.1 of the work plan.

**Julie Whitworth /
Gesche Schmid**

7. Sector Led Improvement - Confidential

The confidential item was considered and resolutions recorded.

8. The National Graduate Development Programme (NGDP)

Pascoe Sawyers briefly outlined the report which updated Members on progress made in developing and delivering the programme. Key improvements to the programme, which would also deliver significant cost savings, included a move towards more practical development based modules and a more local authority outcome-based approach.

In the ensuing discussion, Members put forward a number of comments and questions, which were responded to by Pascoe Sawyers, including:-

- that although the cost savings were welcome, it was important that the budget reductions did not adversely impact on the value of the programme;
- querying the rationale behind the accreditation not being delivered by an organisation from within the sector;
- highlighting the benefits of linking the NGDP to the wider leadership offer;
- the need to be clear about the intended outcomes from the programme and what the programme seeks to add?;
- the importance of clearly communicating the benefits of the NGDP to the sector to increase the number of Councils participating in the programme and to address the traditionally London-centric nature of the scheme;
- the need to address the disparity between the number of applicants and the number of places on the programme.

Decisions

That the Board:

- ***noted*** the progress made in developing and delivering the National Graduate Development Programme; and
- ***asked*** that their comments be taken into account in the development programme.

Action

Officers to continue to develop and deliver the NGDP in line with progress made and taking into account Members' comments.

Pascoe Sawyers

9. Productivity Programme – Better with Less - Update

Brian Reynolds (Productivity) briefly outlined the report, which updated members on the progress made in delivering the Productivity Programme. He asked Members to provide their view on the provisional 2012/13 programme priorities as set out in paragraph 19 of the report. In the ensuing discussion, Brian Reynolds responded to a number of questions and comments by Members relating to issues including:

- which local authorities were taking part in the Adult Social Care Efficiency programme;

- queries about joint working across national boarders, particularly in relation to the initiative to improve outcomes for children and families;
- the benefit of councils sharing their experiences of addressing particular issues such as troubled families and sharing services;
- the importance of focusing resources on preventative measures to improve outcomes for children and families and to lobby government to commit up-front funding to address long term factors;
- the benefits of local authorities sharing services and the need to promote these benefits appropriately depending on the type of council.

Decisions

That the Board:

- **noted** the progress made in the delivery of the productivity programme; and
- **asked** that the Board's comments be taken into account in developing the 2012/13 Productivity Programme.

Actions

Officers to continue to develop the programme in line with the progress made and taking into account Members' above comments;

Brian Reynolds

To answer Members' questions regarding cross-national joint working and the Adult Social Care Efficiency programme;

Brian Reynolds

To circulate information on Swindon Council's experiences of tackling troubled families.

Frances Marshall

10. Creative Councils Update

The Chairman briefly outlined the report updating Members on progress with the Creative Councils innovation programme.

Decision

*That the Board **noted** the update.*

11. Notes of the last meeting

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

12. Date of next meeting

11.00am Tuesday, 20 March 2012

Action Monitor Schedule

Title:	Improvement Board
Date:	Tuesday, 17 January 2012
Venue:	Local Government House

Item	Action	Progress
1	Improvement Board - Priorities for 2012/13	
	Officers to collate and circulate Members' comments regarding the priorities in the Business Plan, prior to feeding the Board's views into the Leadership Board to inform the final Business Plan.	Board Members were provided the opportunity to input their views on draft Business Plan.
2	Future Arrangements for Audit	
	Officers to draft a statement, for Members' approval setting out the Board's position on the future of local public audit.	A letter from the Chair of the Board to the Secretary of State for Communities and Local Government was approved at the Improvement Board Lead Members' meeting. The letter was on despatched on 8 February. An update report is included in the March agenda papers.
4.	Update on Transparency and Open Data Measures	
	Officers to include a reference to Department for Work and Pensions in paragraph 10.1 of the work plan.	Amendment included in paragraph 10.1 of the work plan.
5.	Sector Led Improvement - Confidential	
	Officers to work with the Chief Executive and Leader of Thurrock Council to help promote Thurrock Council's positive improvement story within the sector.	Case Study appeared in First on 25 February.
	Officers to engage different regional representatives on the proposed approach for addressing, detecting and preventing potential failure.	Part of Principal Advisers' on-going work in "their" regions.

Officers to monitor the Peer Challenge programme and invite speakers, as appropriate, from different councils to report to the Board on their improvement experience.

An officer from the South Africa Peer Team is attending the March Board meeting and other opportunities will be looked at on an on-going basis.

9. Productivity Programme – Better with Less - Update

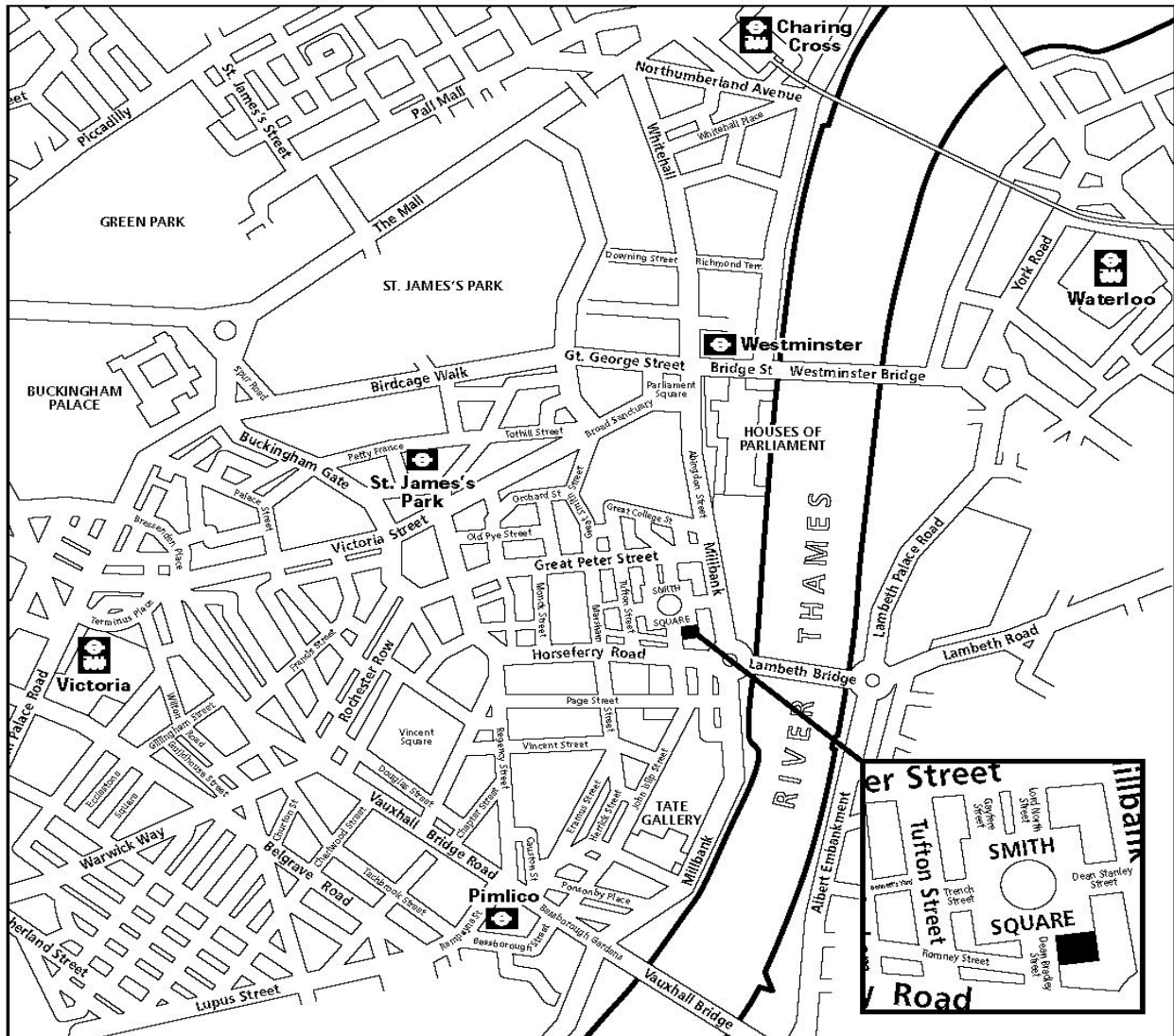
To answer Councillor Shortland query regarding cross-national joint working on the troubled families work programme.

Response sent to Councillor Shortland on 16 February.

To circulate information on Swindon Council's experiences of tackling troubled families.

Information on 'The Swindon Life Programme' emailed to Members with the March Board agenda papers.

LGA Location Map



Local Government Association

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

Public transport

Local Government House is well served by public transport. The nearest mainline stations are;

Victoria

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

Bus routes - Millbank

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

Bus routes - Horseferry Road

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

Cycling Facilities

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

Central London Congestion Charging Zone

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

Car Parks

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