

Local 
Government
Group

Our business plan 2011/2012

Promoting, supporting and improving local government

Draft – for LG Group Executive 13 January 2011

Foreword

by the chairman



Our priorities for the year ahead

At the Local Government Group we have been quick to respond to the huge changes following the election of the new government.

On behalf of local government, we have been making the case for a radical devolution of power to local elected councils so that the decisions that are made are close to the people affected by them. In response, the government has announced a number of important new policies, including the abolition of many ring-fenced grants, the end of comprehensive area

assessment (CAA) and the closure of regional development agencies. All of which is a step in the right direction.

Councils are also being asked to deliver significant savings. The Comprehensive Spending Review has resulted in an exceptionally tough settlement for local government. Although there has been some recognition of our proposals with increased funding for adult social care and the introduction of community budgets, the front-loading of the cuts makes a very difficult job much harder with most councils facing painful choices.

In all this, the Local Government Group (LG Group) has a pivotal role. More than ever we need to be able to fight local government's corner. We also need to support councils through extremely challenging times by helping them identify new ways of saving money and of being accountable to and listening to local people.

We face our own internal challenges. Subscriptions were reduced substantially this year and are being further reduced in line with changes in council funding. We will also experience a 38 per cent loss of top-slice funding over the next four years. Change is difficult but necessary to ensure we are well placed to deliver relevant services of the highest quality, as efficiently as possible.

This business plan for 2011/12 sets out in one place our focus for the year ahead based on what councils have told us are their priorities, and explains how we are proposing to change the way we organise ourselves to achieve this.

Our challenge is to demonstrate that we are a vibrant, optimistic and flexible organisation, confident the priorities we are setting will help local government achieve its goals.

I am sure, given our recent successes and our robust plans for 2011/12, that we can achieve this.

A handwritten signature in black ink that reads "Margaret Eaton". The signature is written in a cursive, slightly slanted style.

Baroness Eaton DBE
January 2011

Local Government – the next five years

Local government is facing the most radical changes in a decade.

The economic downturn means there is less money for local government. As the Prime Minister has acknowledged, councils are already the most efficient part of the public sector. However, as part of its public expenditure policy, government grants to councils are reducing by about 30 per cent which will affect the way every citizen is served. Public services will have to become more transparent, more effective and cheaper. This will only be possible if all parts of the public sector work together with their communities in transforming services to meet the needs of local people.

Councils are having to manage big opportunities and risks in the local economy, promoting business investment and improving local labour and housing markets. Renewing private sector growth will be vital so that new technologies and businesses are developed. Climate change, population movement, social change and an ageing society are also challenging councils operationally and financially.

In May 2010 the political landscape changed with the formation of a coalition government. The new government is looking for the public sector to be transformed, increasingly commissioning and facilitating services which are delivered by other organisations or by communities themselves.

Citizens will be asked to take more direct responsibility for their lives, families and neighbourhoods. Councils will have to assess the impact of all of this and demonstrate even more effective community leadership in their localities.

Government policy also means that councils will need to exercise democratic leadership at the heart of a new set of relationships between the citizen and the state:

- in **education**, with the development of free schools
- in **health**, with the creation of GP commissioning, Health and Wellbeing boards and the transfer of public health responsibilities
- in **adult social care**, with the personalisation of services
- with the **voluntary and community sector**, who will be leading the development of new types of services

- with **police**, with the proposed election of Police and Crime Commissioners
- in **fire**, protecting and building resilience through the development of local control arrangements
- in **economic development**, through Local Enterprise Partnerships
- in **regulatory services**, with the move to better regulation to support businesses and protect communities
- in **planning**, with local people in shaping their neighbourhoods, and with business in securing strategic investment and infrastructure.

Councils, as the democratically accountable part of the public sector, understand what needs to change to help their local place and their residents. Working to build the Big Society is already a core part of what councils do every day. Greater freedoms for councils from central government will

enable them to support local people in taking greater control of their own lives.

Our offer to councils is designed to help them thrive and adapt to these changes, and where possible, improve the quality of life for local residents.

To do this, we have committed to helping councils achieve six outcomes, based on what they told us is important when we consulted with them during 2010. This forms the basis of the RSG prospectus for which we will receive RSG top-slice funding over the next four years:

- **local budgets and accountability** – public services will be transformed by shifting decisions about local services to the people who are directly accountable to residents, providing transparent information and cutting out layers of bureaucracy to save billions of pounds.
- **strong political leadership** – democratic accountability underpins all of this. Councillors have a key role to play in taking tough decisions, helping councils change the way they work so that power is devolved to local people and neighbourhoods, as well as promoting fairness and tackling inequality.
- **improved local productivity** – in leading the transformation of local public services, councils are having to pool resources with their partners, re-design services, develop the voluntary sector and other local groups, and challenge themselves on cost and effectiveness.
- **strong local economies** – councils have a key role with local business leaders in stimulating growth in their areas. Local enterprise partnerships are central to this, tackling issues such as planning and housing, local transport and infrastructure,

employment and enterprise, and the transition to the low carbon economy. Councils also have an important role in stripping away and streamlining local regulation.

- **improved local performance and value for money** – inspection is being significantly scaled back and CAA abolished. Increasingly councils are monitoring and assessing their own performance and providing assurance to local people on local services.
- **transformed workforce** – local government will need to become smaller and more flexible than it is now. Councils are re-thinking how they employ their staff so they can best respond to major changes in the way public services operate.

All this means that the LG Group will have to change too. Above all else, we need to deliver a clear, relevant, high quality offer with significantly less money, and only do those things where we can add significant value at the national level.

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

Our focus in 2011/12

To achieve our mission, in 2011/12 we will focus on two high level aims:

- representing and advocating for local government and making the case for **greater devolution**
- **helping councils tackle their challenges** and take advantage of new opportunities to deliver better value for money services.

Achieving greater devolution for local government

“The government believes that it is time for a fundamental shift of power from Westminster to people. We will promote decentralisation and democratic engagement, and we will end the era of top-down government by giving new powers to local councils, communities, neighbourhoods and individuals.”¹

The coalition government has produced a huge programme of legislation for the term of the Parliament, providing an important lobbying opportunity for the LG Group to ensure

¹ The Coalition: our programme for government, May 2010

these changes add real benefit to people's lives.

With the government's Big Society agenda, it will also be vital for the LG Group to demonstrate how local government's democratically elected local representatives are absolutely crucial in building a thriving civil society.

A number of major policy reviews and changes such as the Local Government Resource Review (local government finance) and the Dilnot Commission on Funding and Care Support (social care) will report during 2011. These are again important lobbying opportunities where the LG Group will represent the sector. Alongside that, there is continuing work of great importance to member authorities, such as our lobbying on the annual local government finance settlement, our work to remove the ringfencing of central government grants and on the ability to retain resources

raised locally such as business rates.

We have prioritised four bills on which we will focus our lobbying efforts during this Parliament:

- **the Localism Bill** – running to 406 pages, this is an extremely significant piece of legislation which looks to devolve decision-making powers from Whitehall to communities and their local democratically-elected representatives, including radical changes to housing and planning policy
- **the Health Bill** – major reforms to the health service will see GP consortia commissioning services and public health functions handed over to local authorities
- **the Education Bill** – this will give teachers greater freedom over the curriculum and allow new providers to run state schools

- **the Policing and Social Responsibility Bill** – this will introduce directly elected Police and Crime Commissioners and overhaul the Licensing Act 2003 with the introduction of new powers for licensing authorities.

Within these bills, which go through Parliament until November 2011 when there will be a new Queen's Speech, we will work with government departments and parliamentarians to ensure that local government strengthens its strategic role in communities and is granted more freedoms and flexibilities - all with the aim of seeking to improve services and serve local people's needs.

With the abolition of the government offices, the LG Group will develop its offer to help councils navigate government departments, to lobby on their major priorities, for example key transport infrastructure projects affecting an area.

We will be working to influence the EU's legislative programme on behalf of local government to enhance the opportunities for councils and minimise financial and regulatory burdens.

Helping councils tackle their challenges

The way councils improve over the next ten years will be radically different from the last ten.

We are moving from the government wanting to control and manage public services through top-down performance management and the inspectorates, to a very different approach. The new government wants to create markets for public services, focusing on consumer empowerment and choice, along with much greater accountability to the public through the provision of transparent information.

As Baroness Eaton said in her foreword, our campaign to reduce the burden of inspection on councils has already been successful. Public Service Agreements, CAA, Use of Resources and Organisational Assessments have been abolished over the last few

months. At the same time, the government has welcomed local government's proposals for sector-led improvement.

Self-regulation is fundamentally different from the way inspection worked - councils will not be measured against a national view of what a good council looks like, but against what local people think. In our recent consultation, councils overwhelmingly agreed that they are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area. The councils we consulted with agreed they are accountable to their local communities – stronger accountability through greater transparency helps local people drive further improvement.

In their feedback to our consultation, councils accepted that they have collective responsibility for the performance of the sector and for collaborating by sharing best practice and actively encouraging and providing peer support. The damage that can be caused by a failure in just one council can have a huge impact on the rest of local government. Without this, there is a risk of inspection and government intervention creeping back. Therefore, the LG Group Improvement Board working with the other programme boards will maintain an overview of the performance of the sector and ensure that direct support is available for councils or services at risk. This role will not create any burdens for councils.

In a world in which councils take responsibility for their own performance, and for getting help as and when they need it, our job is to develop the

market and make sure the improvement support they need is in place. Now more than ever before, councils are having to focus on saving money and supporting innovation, at the same time as engaging in new ways with the public as the balance between the state and the individual changes.

During 2011/12, our focus will therefore be on providing the following improvement support:

Knowledge Hub –

we are investing on behalf of the sector in a new web-based service to create a single point of access to information on improvement, efficiency and innovation so that councils can learn from each other. Using Web 2.0 technology, we will expand our community of practice and esd-toolkit platform to support networking, collaboration and knowledge sharing.

Data and Transparency –

transparency is at the heart of the government's agenda for public service reform, and there is a clear demand amongst councillors and officers to be able to compare performance with other councils and areas. Within the Knowledge Hub, we are creating a free of charge place for councils to compare data to help them understand and improve their performance and productivity.

Peer Challenge –

building on our popular and trusted programme of peer reviews, we are making an offer to all councils to provide a peer challenge over the three-year period from April 2011, free of charge. We will also continue to provide subject specific challenges in key service areas on a paid-for basis. It is essential that we have high quality peers, particularly leaders and chief executives on board to deliver this.

Direct Support –

over the last three years, the LG Group has provided high quality peer and other specialist support to councils in key areas such as children's services, change of political control and councils in re-organisation. Supporting individual councils and groups of councils is still a high priority for us, especially councils with the most severe performance challenges.

Leadership Support –

our leadership development work will focus councils' role in helping build civil society. Following on from our highly acclaimed Leadership Academy and Leeds Castle programmes which have provided opportunities for hundreds of politicians, we will commission a high quality, leading edge member development offer, and develop the wider market for both member and manager development.

Workforce –

we will focus on workforce and employment issues, continuing to represent councils as employers by negotiating affordable outcomes on pay and conditions, and on issues such as senior pay. We will also work with councils on their workforce challenges, and on influencing EU and national policy.

Productivity –

as we begin work on the second phase of our well received national productivity programme, we will focus on a number of ‘big wins’ including:

- market management, purchasing and capital assets
- innovative ways of commissioning and delivering services
- services for children, adults and families
- leadership support, peer challenges and information sharing and analysis.

How we will work

Our vision for the LG Group

We want to be a modern, high performing organisation – one that exceeds councils' expectations and is highly valued for strengthening local government's reputation.

The scale of the changes we are making is significant because of the big reduction in our funding base from April 2011. This gives the twin challenges of maintaining the clarity, relevance and quality of our offer for councils whilst making major improvements in our efficiency and cutting out duplication.

We will only achieve this if we operate as one organisation in which we:

- are led by local elected politicians
- have one set of politically determined priorities, based on councils' top priorities
- base our work on strong networks at all levels across local government
- demonstrate transparency and value for money
- are flexible and responsive, constantly in touch with councils
- have the mix of skills and experience that gives us credibility with both councils and government.

Our values are also important to us:

- being respectful and positive
- taking responsibility
- sharing knowledge and skills.

Everyone in the LG Group will need to demonstrate these values in their work with councils and colleagues.

The future organisation of the LG Group

To make sure we can deliver this vision, we are currently consulting on new organisational arrangements with a view to putting in place a new structure as early as possible in 2011/12. Our focus will be on managing the transition effectively so we maintain our services and support to local government.

The following functions are designed to ensure that the priorities in this business plan are delivered as effectively and efficiently as possible, but

the new structure can only be finalised after the responses to our consultation with staff have been fully assessed.

As a politically-led membership organisation, we will invest in our support to the elected members who are directly involved in the LG Group. We will use our new governance arrangements to build strong connections with councils and provide political direction for all our work. It is vital that we support the LG Group's political membership on the Executive and programme boards. The political group offices will also provide important support to each of the political parties.

We will work with members through the nine programme boards of the LG Group:

- children and young people
- community wellbeing
- economy and transport
- environment and housing

- safer and stronger communities
- culture, tourism and sport
- European and international
- workforce
- improvement.

Programmes on important cross-cutting operational and policy issues will be steered by the Executive.

We will review our governance arrangements again in September 2011 to ensure they are as effective as possible.

The LG Group’s core work will be delivered through programmes which bring together our policy work and our improvement support to councils. People from across the LG Group will work flexibly on the priorities agreed by the Executive in the LG Group’s annual business plan – which may be adapted during the year to reflect local government’s changing priorities. This work will be steered by members on

the Executive or the relevant programme board.

Both our policy development and improvement support will be based on the feedback we get from councils and leading edge practice in local government itself. This includes our work on local government finance – all our programmes will have resource issues as a core concern.

Our programmes will be delivered by generalists who have the skills to work with member councils and government, manage networks and share learning, along with a smaller number of people with more specialist skills. We will also engage experts from local government to work with us on secondment or other short-term arrangements before returning to the sector.

We will ensure we have the capacity to deliver the improvement services described on pages 12-14 above, all of which will also need to align with and support the delivery of the LG Group's core programmes.

We will provide **direct support** to councils through work at a senior level with councils and groups of councils, government and political groups. We will commission support from peers and others, and provide direct support where the council as a whole or key services are at risk.

We will recruit the most experienced councillors, officers and partners from our networks and engage these peers in delivering a comprehensive programme of corporate and service-specific **peer challenges and support**. The work of member peers will be co-ordinated by the lead member peers working with the political group offices.

We will commission cutting edge **leadership support** for councillors and managers - and where appropriate their partners - to support improvement and innovation for key council priorities and services.

We will develop ambitious, national services to support councils in achieving improved **productivity**, linking directly to work being delivered in key service areas through our core programmes.

We will lead negotiations on pay and conditions on behalf of local government, and provide specialist advice and support on a range of **workforce** issues, including pensions, workforce development and productivity.

We will focus on supporting councils with **knowledge management and innovation** and will invest in new technology, benchmarking and analytical capacity to help councils compare their

performance and learn from each other. This includes developing an integrated web site and intranet for the LG Group and using communities of practice and the new Knowledge Hub to engage with thousands of members and officers across local government and the wider public sector. As part of this, we will ensure that we use technology and in a consistent and co-ordinated way across the LG Group to stay connected with councils.

Our group-wide **communications** function will focus on promoting the reputation of councils and supporting the work of the rest of the LG Group. This includes ensuring positive coverage in the national media and rebutting negative stories, influencing the parliamentary process, delivering a programme of events, and developing a range of customer-focused communications. We will join

up customer intelligence across the LG Group and streamline our communication with councils. We will also ensure that every council has a strong connection to a named person in the LG Group.

A new **business support** function will develop a common set of business processes for the LG Group to ensure that we operate as efficiently and effectively as possible. This is important so that we can focus our resources on our direct services for councils, rather than back office and support functions, making the most of new technology.

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