



**BUSINESS PLAN
2012/13**

THE LGA'S PRIORITIES

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

We work with councils to achieve our shared vision for local government by focusing our efforts where we can have real impact, being bold and ambitious, and supporting councils to make a difference, deliver and be trusted.

Our vision for local government:

RESPONSIVE - councils are relied on - day in, day out - to deliver excellent services whatever the circumstances. Councillors connect with local people in their daily lives, and local communities depend on what they deliver. They are a safety net, picking up where other services fail and supporting the most vulnerable people in society. It is sometimes the small things that have the most impact and leave the biggest impression. Councils also have the ambition to inspire local communities and change people's lives, now more than ever before. In the current economic climate, it is down to local government and its leaders to play a central role in growth, with the aim of making places distinctive and attractive for people to live and work in, and enjoy.

EFFICIENT - local government remains the most efficient part of the public sector and rightly rests its reputation on this fact. Councils are ambitious in finding ways to do the job within their means - they are wise spenders of public money and effective in helping people and communities. Councils are not afraid to cut costs and be innovative about ways of improving services. They are also prepared to consider radical economies of scale where this helps delivery on the ground. This means focusing relentlessly on performance as well as eliminating cost. To achieve this, councillors are having to make difficult and at times unpopular decisions, while delivering value for money.

ACCOUNTABLE - local government can do this because it is one of the most open and transparent parts of the public sector, handling issues that are important to people's everyday lives. Councillors work hard in a highly accessible environment and are an important resource for the local communities they represent. Increasingly their role is to ensure the deep involvement of communities in shaping priorities, designing services and, where appropriate, commissioning or running services at neighbourhood level. Part of their leadership role is to connect with local people, representing their interests strongly and self-confidently to the wider public, other partners, the media and central government.

LOCAL - local government really can make a tangible, lasting difference to people. It has the ability to inspire and lead communities, and improve quality of life, by creating and contributing to a real sense of place. Key to this is localism - by definition not something which is set out at a national level. Localism means central government letting go, putting more faith in local people, and being confident about local democracy. Councils are often the single most important source of practical advice to local communities who want to take on more responsibility. This means collaboration and partnership, and working across boundaries, actively involving people in the design and delivery of their local services.

The LGA has a major role to play in upholding local government's reputation and supporting real leadership. We are politically led, but independently authoritative, holding unrivalled expertise and knowledge about local government and local government issues. This means that we are able to be proactive and confident, drive change and unlock the economic power and influence of local government.

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

As the national organisation representing councils and councillors, we act as a crucial link between central and local government. Because we are based in Westminster, we are able to work face to face with Ministers and senior civil servants on the big issues of the day. Our policy work is based on objective, independent and credible analysis. It is driven by knowledge, not ideology, and by new thinking, not dogma.

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

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

Public service reform – councils are at the centre, and seen to be at the centre, of public service reform and delivering more effective services for local people

Growth, jobs and prosperity – councils are recognised as central to economic growth

Funding for local government – reform of the public sector finance system so councils raise more funds locally, have confidence their financing is sustainable and fair, and greater ability to co-ordinate local public services

Efficiency and productivity – councils dramatically reduce costs in ways which minimise the impact on the quality of life for their residents

Sector-led improvement – councils are the most improved part of the public sector, and local politicians and senior managers lead the transformation of local places.

This year we will be launching a number of campaigns to make sure we are maximise our impact on behalf of councils and to show we are responding quickly to council concerns. Each of our campaigns will use varying tactics to get our messages across but they will all focus on the issues that currently matter most to councils.

Our work in each of these areas is set out in more detail below as are the measures we are taking to improve our own effectiveness and efficiency.

The LGA has already taken significant steps to reduce its costs, following a 40 per cent reduction in funding from the start of 2011/12. This has included reducing the total number of people employed from 450 in 2011, to 287 at the end of 2011/12. In addition, since June 2011, the operations of the four organisations associated with the LGA – Local Government Improvement and Development (LGID), Local Government Employers (LGE), Local Government Regulation (LGR) and Local Government Leadership (LGL) - have been fully integrated with those of the LGA to ensure that we deliver a focused, effective offer for councils in spite of our reduced funding base.

Our priorities

Public service reform

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

This includes working to ensure:

- government policy continues in a localist direction and councils embrace new powers
- councils are supported in developing new models of local public service delivery and commissioning including community budgets
- the anticipated White Paper on the future funding of adult social care offers scope for a fairer, clearer system, with councils retaining lead responsibility
- national workforce agreements are seen as relevant and fit for purpose by councils
- a reformed pension scheme is delivered without further serious industrial disruption or significant opt out rates for implementation in April 2014
- local government demonstrates its commitment to its new public health responsibilities
- police and crime panels are established without the need for intervention by government
- councils are supported in their role in school place provision, fair admissions, driving school improvement and supporting vulnerable pupils
- the anticipated White Paper on the care system for children offers scope for a more streamlined approach, reducing delays and bureaucracy and recognising the role of councillors
- future EU regulation minimises burdens and maximises opportunities for councils.

LGA campaigns for 2012/13

Keep it REAL: responsive, efficient, accountable local services – promoting the role of elected councillors in ensuring communities get the services they want, and creating a debate about codifying the relationship between central and local government

Securing the future of adult social care – setting out a clear overall message about the need to reform and fund adult social care and support.

Growth, jobs and prosperity

Councils are recognised as central to economic growth.

This includes working to ensure:

- business and residents are able to rely on councils and their partners including Local Enterprise Partnerships (LEPs) for excellent services to stimulate growth and new jobs
- national services such as skills, transport and employment, are localised so that councils can support economic recovery more effectively
- councils are able to develop new innovative funding, such as local authority bonds and tax increment financing, including a shift in attitudes to investment in infrastructure on the part of local authority pension funds
- there are increased planning powers and freedoms for councils to support economic growth
- councils are provided with the financial flexibilities and tools to be able to invest in housing in their area and negotiate crucial infrastructure with developers
- councils play their part in a successful 2012 Games, to ensure benefits for the whole country
- councils lead the delivery of the Green Deal, to improve the local environment and create new employment opportunities
- councils are able to reduce red tape and regulatory burdens at a local level.

LGA campaigns for 2012/13

Local economies, local growth – promoting councils' leadership of economic development, removing central barriers to local growth and making the case for the devolution of new powers, especially planning

Housing the nation – to win increased housing powers and freedoms so councils can better address the current housing crisis

Hidden Talents – demonstrating that councils are best placed to identify and support the one million young people not in education, training or employment.

Funding for local government

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

This includes working to ensure:

- councils have the freedom they need to raise revenue in the ways they determine are appropriate
- an accurate assessment of spending pressures facing local government is maintained and used in discussions with government about future funding settlements
- a business rates retention scheme is ready for implementation in April 2013 that provides councils with stability and predictability, the ability to retain the proceeds of local growth, and adequate safeguards for councils starting with lower tax bases
- the Public Health Grant is sufficient to meet local authority public health responsibilities and allocated on an equitable and transparent basis
- councils have a customer-facing role in the delivery of universal credit
- a full review is carried out of the funding arrangements for the countries of the Union, to ensure an equitable, needs-based approach that is fair to all parts of the UK
- all fees and charges for local authority services are decentralised including those for services like planning
- the new EU budget includes significant investment in the UK which is locally delivered.

LGA campaign for 2012/13

Sustainable funding for local government – highlighting the financial pressures on local services.

Efficiency and productivity

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

This includes working to ensure:

- councils save at least £160 million over the next three years by supporting pathfinder programmes, productivity master classes and good practice
- councils reduce expenditure and promote economic growth through the next round of the Capital and Assets Programme
- councils achieve efficiencies in waste management and increase recycling rates, with regulations that work for councils
- at least 95 per cent of councils access Local Government Inform (LG Inform) to benchmark costs and performance information against other authorities
- at least 15 councils each year are able to explore new ideas, test out new ways of working and share the lessons through a range of innovative pathfinder programmes including the Creative Councils programme
- councils share and develop new, innovative ways of reforming public services through a 25 per cent increase in the use of the LGA's Knowledge Hub
- councils strengthen their approach to people management, with at least 50 councils using the LGA's workforce planning self assessment tool
- councils and fire and rescue authorities respond effectively to civil emergencies through support with implementing the National Strategic Resilience Governance arrangements.

Sector-led improvement

Councils are the most improved part of the public sector.

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

This includes working to ensure:

- councils welcome peer challenge and support, with over 100 peer challenges being delivered in each of the next three years for councils and fire and rescue authorities
- the number of councils that government intervenes with remains small, by maintaining an overview of the performance of local government and providing tailored support to councils that face significant challenges including support from the Centre for Public Scrutiny
- sector-led improvement is established in children's services, through support for self-assessment and peer challenge including 36 peer reviews, targeted support to councils, and practical approaches to policy implementation
- sector-led improvement is established in adult social care, through self-evaluation, peer support and challenge, targeted support to councils, and support with sharing and analysing performance
- all councillors are better able to lead their communities, by providing a range of development programmes for elected members with one subsidised place for every council for each of the next three years
- the profile of councillors better reflects the diversity of their local communities, by working with the national parties and others through our Be A Councillor programme
- elected members and officers work together constructively, by providing development programmes such as Leeds Castle
- new talent is attracted into local government through the National Graduate Development Programme
- international practice is used to benchmark our services and advance our campaigns.

Our own effectiveness and efficiency

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

This includes working to ensure:

Delivery

- we bring a local perspective to the emerging policy debate, representing local authorities to central government
- we secure amendments to emerging legislation and run effective campaigns that deliver real change and improvements for our membership
- we support councils in taking responsibility for their own improvement
- our suite of communications provides clear, relevant and up to the minute information that councils value and use.

Membership

- membership levels amongst local authorities in England and Wales are maintained by enhancing the benefits and reducing the costs of membership
- we develop an attractive membership offer for police and crime commissioners
- we develop strong, productive relationships with councils, groupings of councils and councillors themselves including backbenchers – this will be the focus of a member scrutiny review and we will be carrying out a customer survey
- the LGA and regional bodies work together effectively on lobbying and support for councils.

Financial Sustainability

- we have effective programme and financial management, and regular and robust performance review
- our outsourced back-office services are efficient and effective, with 80 per cent satisfaction levels achieved in all areas, and we achieve at least a 12 per cent reduction in our overheads – this is also the focus of a member scrutiny review
- we have an agreed approach to eliminating our pension deficit and make progress with this
- we secure core funding for the LGA beyond 2014/15.

People Management

- we support our employees through regular appraisal and investment in their development including a development programme for front-line managers, effective induction and comprehensive e-learning materials.

LGA budget 2012/13

			Total £m
Subscriptions			9.8
RSG England			25.7
RSG Wales			0.2
Specific grants and other ring-fenced funding			15.7
Other income (conferences, seminars, sponsorship)			2.2
Rental income			1.1
Interest and other income			0.9
Total income			£55.6m
	Pay £m	Non-Pay £m	Total £m
Policy and delivery	10.7	6.1	16.8
Strategy and communications	2.1	2.4	4.5
Organisational governance	2.5	1.3	3.8
Total operational costs	15.3	9.8	25.1
Specific grants and other ring-fenced funding	3.0	11.2	14.2
Corporate services	1.2	0.4	1.6
Liberata shared service		6.8	6.8
Accommodation		2.8	2.8
Other running costs (Brussels Office, insurance, audit etc - includes vacancy provision)	(0.7)	1.2	0.5
Other costs	0.5	11.2	11.7
Pensions - past employees		0.9	0.9
Pensions - additional contribution		3.7	3.7
Additional pension costs		4.6	4.6
Total expenditure			£55.6m

Performance framework

We will review the impact of our work and our delivery against the priorities in this business plan, through robust performance management including regular reports to members on the LGA's Leadership Board and the Audit and Scrutiny Panel. To support this, we have developed a robust performance framework with information on the key milestones and deliverables for each area of work.

In addition, we will review our own efficiency and effectiveness through the corporate indicators set out below:

	Target 2012/13	Baseline
Membership	March 2013	March 2012
Total membership	Maintain or increase	422
Councils on notice to withdraw after 1 year	Reduce	9
Councils on notice to withdraw after 2 years	Reduce	25
Financial sustainability		
Number of employees in the 269 agreed core posts	Maintain in line with agreed core posts	251
Employees - grant-funded posts	Maintain or increase	36
Employees – total headcount (from a baseline of 450 employees in 2011)		287
Debtors	March 2013	March 2011
0 – 2 months	80%	56%
3-12 months	20%	10%
13-24 months	0%	14%
Over 24 months	0%	20%
	100%	100%
Shared services contract		
Liberata customer satisfaction	Survey Nov 2012	Survey Nov 2011
HR and Payroll	80%	78%
Finance and accounting	80%	70%
ICT	80%	45%
FM	90%	85%
Print and design	90%	89%
Overall	80%	54%

People management	Ongoing	March 2012
Average sick days per employee for 12 months	Maintain or improve	4.5 days (public sector average 9.6 days; local government average 10.3 days)
Workforce profile		
BAME employees % of the workforce		17%
BAME - proportion of employees Grade 8 and above	Increase % of BME employees grade 8+ in line with workforce	5.9%
Employee engagement	Survey during 2012	Survey July 2009
Satisfied with their job	Maintain or improve	79%
Good place to work		66%
Kept well-informed		80%
Line manager helps them achieve their potential		61%
Organisation is committed to equality and diversity in its services		69%
Organisation is committed to equality and diversity in its employment practices		66%
Carbon emissions	March 2013 reduce by 6% from 2007/2008 baseline of 1,450 CO2 tonnes	March 2011
	1,363	1,373