

LGA Executive

Agenda

Thursday 15 March 2012
2.15pm

The Westminster Suite (8th floor)
Local Government House
Smith Square
London
SW1P 3HZ

To: Members of the LGA Executive
cc: Named officers for briefing purposes

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.local.gov.uk

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

LGA Executive
15 March 2012

There will be a meeting of the LGA Executive at:

2.15pm on Thursday 15 March 2012 in the Westminster Suite (8th floor), Local Government House, Smith Square, London, SW1P 3HZ.

Attendance Sheet

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

Apologies

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

Labour: Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative: Luke Taylor: 020 7664 3264 email: luke.taylor@local.gov.uk
Liberal Democrat: Evelyn Mark: 020 7664 3235 email: libdem@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Location

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

LGA Contact

Lucy Ellender Tel: 020 7664 3173; Fax: 020 7664 3232;
e-mail: lucy.ellender@local.gov.uk

Carers' Allowance

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

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.

LGA Executive

Updated: 16.02.12

LGA Executive - Membership 2011/2012

Councillor	Authority	Position/ Role
Conservative		
Sir Merrick Cockell	RB Kensington & Chelsea	Chairman
Gary Porter	South Holland DC	Vice-chairman/Group Leader
Robert Light	Kirklees Council	Deputy-chairman
Andrew Lewer	Derbyshire CC	Deputy-chairman
Robert Gordon DL	Hertfordshire CC	Deputy-chairman
David Simmonds	Hillingdon LB	Chairman, CYP B
David Parsons CBE	Leicestershire CC	Chairman, Env & Housing B
Paul Bettison	Bracknell Forest Council	Chairman, LGR
Peter Fleming	Sevenoaks DC	Chairman, Improvement B
Labour		
David Sparks OBE	Dudley MBC	Vice-chairman/Group Leader
Sharon Taylor	Stevenage BC	Deputy-chairman
Steve Reed	Lambeth LB	Deputy-chairman
Mayor Sir Steve Bullock	Lewisham LB	Chair, Workforce B
Peter Box CBE	Wakefield Council	Chair, E&T B
Mehboob Khan	Kirklees Council	Chair, SSC B
Dave Wilcox OBE	Derbyshire CC	Chair, E & I B
Liberal Democrat		
Gerald Vernon-Jackson	Portsmouth City	Vice-chairman/Group Leader
Mayor Dorothy Thornhill MBE	Watford BC	Deputy-chairman
David Rogers OBE	East Sussex CC	Chair, CWB B
Flick Rea	Camden LB	Chair, CTS B
Jill Shortland OBE	Somerset CC	Member
Independent		
Marianne Overton	Lincolnshire CC	Vice-chairman/Group Leader
Regional Representatives (10)		
Peter Martin MBE (Cons)	Essex CC	East of Eng. LGA
Paul Carter (Cons)	Kent CC	SE Eng Councils
Angus Campbell (Cons)	Dorset CC	SW Leaders
Philip Atkins (Cons)	Staffordshire CC	WM Councils

Martin Hill OBE	(Cons)	Lincolnshire CC	EM Councils
Mayor Jules Pipe	(Lab)	Hackney LB	London Councils
Paul Watson	(Lab)	Sunderland City Council	NE Councils
Ian Greenwood	(Lab)	Bradford MDC	LG Yorks & Humber
Sir Richard Leese CBE	(Lab)	Manchester City	North West Regional Leaders' Board
Robert Dutton OBE	(Ind)	Wrexham County Borough	Welsh LGA
Named substitutes			
Simon Henig		Durham County Council	NE Councils
Gordon Keymer CBE		Tandridge DC	SE Eng Councils
Paul Watkins		Dover DC	SE Eng Councils

Non-voting Members of LGA Executive

Cllr/Local Authority	Political Group	Representing
Lord Peter Smith (Wigan MBC)	Labour	LG Leadership
Stephen Castle (Essex CC)	Cons	Resources Panel
Neil Clarke (Rushcliffe BC)	Cons	District Councils Network
Stephen Houghton CBE (Barnsley MBC)	Labour	SIGOMA
Roger Phillips (Herefordshire CC)	Cons	County Councils Network
Edward Lord OBE JP (Corporation of London)	Liberal Democrat	Local Partnerships

LGA Executive Attendance 2011-2012

Councillors	15.09.11	13.10.11	10.11.11	8.12.11	12.01.12	9.02.12	15.03.12	17.05.12	14.06.12	12.07.12
Conservative Group										
Sir Merrick Cockell	Yes	Yes	Yes	Yes	Yes	Yes				
Gary Porter	Yes	Yes	Yes	Yes	Yes	Yes				
Robert Light	Yes	No	Yes	Yes	No	Yes				
Andrew Lewer	Yes	Yes	No	Yes	Yes	Yes				
Robert Gordon DL	Yes	Yes	Yes	No	Yes	Yes				
David Simmonds	Yes	Yes	No	Yes	Yes	Yes				
David Parsons CBE	Yes	Yes	Yes	Yes	Yes	No				
Paul Bettison	Yes	Yes	Yes	Yes	Yes	Yes				
Peter Fleming	Yes	Yes	Yes	Yes	Yes	Yes				
Labour Group										
David Sparks OBE	No	Yes	Yes	Yes	Yes	Yes				
Sharon Taylor	Yes	Yes	Yes	No	No	Yes				
Steve Reed	Yes	Yes	Yes	Yes	Yes	No				
Mayor Sir Steve Bullock	Yes	Yes	Yes	Yes	Yes	Yes				
Peter Box CBE	Yes	Yes	Yes	No	Yes	Yes				
Mehboob Khan	Yes	Yes	Yes	Yes	Yes	Yes				
David Wilcox OBE	Yes	Yes	No	Yes	Yes	Yes				
Lib Dem Group										
Gerald Vernon-Jackson	Yes	Yes	Yes	Yes	Yes	No				
Mayor Dorothy Thornhill MBE	Yes	No	Yes	Yes	Yes	Yes				
David Rogers OBE	Yes	Yes	Yes	Yes	Yes	Yes				
Flick Rea	NA	NA	NA	NA	NA	NA				
Jill Shortland OBE	Yes	Yes	Yes	Yes	Yes	Yes				
Independent										
Marianne Overton	Yes	Yes	Yes	Yes	Yes	Yes				
Regional Representatives										
Peter Martin MBE	No	Yes	Yes	Yes	Yes	Yes				
Paul Carter	Yes	No	Yes	No	No	No				
Angus Campbell	Yes	Yes	No	Yes	Yes	Yes				
Philip Atkins	Yes	No	No	No	Yes	No				
Martin Hill OBE	Yes	Yes	Yes	Yes	Yes	Yes				

Agenda

LGA Executive

Thursday 15 March 2012

2.15pm

The Westminster Suite, 8th Floor, Local Government House

	Item	Page	Time
1.	Whole Place Community Budget Pilots - update	3	2.15pm
2.	Sector-led improvement	11	2.40pm
3.	Update on the adult social care campaign publication 'Guide to the care and support white paper'	19	3.05pm
4.	Regional Report – West Midlands – Cllr Philip Atkins	23	3.30pm
5.	LGA Business Plan 2012/13	45	3.40pm
6.	2012-13 Budget	61	3.50pm
7.	The LGA's Membership Offer	81	4.00pm
8.	Note of LGA Leadership Board - tabled		4.10pm
9.	Note of last LGA Executive meeting	91	

Date of Next Meeting: Thursday 17 May 2012 - 2.15pm, Local Government House

Item 1

Whole Place Community Budget Pilots - update

Purpose of Report

To update members on the whole place community budget pilots and the role the LGA is playing.

Summary

At the Executive meeting Councillor Peter Martin, Leader of Essex County Council, will set out the importance of the whole place pilots. Jo Killian, Chief Executive of Essex County Council, will describe what partners in Essex are seeking to achieve through their pilot. The paper describes the components of a campaign to make a hard-headed case for whole place community budgets.

Recommendation

Members are invited to comment on the outline campaign plan and the draft shared narrative for the pilots in **Appendix A** (to be agreed with the pilot areas).

Action

Officers to take forward members' comments

Contact officer: Phillip Mind
Position: Senior Adviser
Phone no: 0207 664 3243
E-mail: Philip.mind@lga.gov.uk

Item 1

Whole Place Community Budget Pilots - update

Background

1. The pace and momentum of the whole place community budget pilots is accelerating. The four pilot areas are Cheshire West and Chester, Essex, Greater Manchester and the London Tri-boroughs. They have been asked to produce an implementation plan for a community budget in their areas by October.
2. The pilots are the opportunity during this Parliament to reframe the way local public services are funded and organised to maximise their effectiveness and contribution to growth. In Whitehall officials describe the pilots as the once and for all test that community budgets lead to better outcomes at less cost.
3. A lot is at stake. The current model of public services – business as usual – is not sustainable. Budgets are falling and will continue to fall into the next Parliament. Demand for services is increasing – driven, for example, by demography. Business as usual means reducing or withdrawing services.
4. The challenge for the pilots is to identify new approaches to funding and delivering public services that maximise the efficiency of the whole public sector, enable investment in prevention and solve how to de-commission high cost reactive services.
5. The pilots are taking a thematic approach – and homing in on the big issues where both the current costs and returns of reform are high – for example complex families, integration of health and social care and work and skills.

An evidenced based campaign

6. Leaders from the pilot areas and the LGA Chairman have met to discuss the pilots. They agreed on the need for a collective campaign to make the case for community budgets at the highest levels of Government. The goal would be to influence the next Spending Review, expected either this year, or more likely next.
7. Leaders asked the LGA to play the co-ordinating campaigning role and identified a number of campaign pillars:
 - 7.1. a targeted influencing strategy to persuade the decision makers and opinion formers in Government of the case for community budgets;

Item 1

- 7.2. a communications campaign to win “hearts and minds” to community budgeting in the “Westminster village”. The campaign would extend more widely to elected members, local MPs, professional groups and the wider public;
 - 7.3. pro-active engagement with other membership bodies – the NHS Confederation, ACPO and so on, to promote community budgeting and test the limits of integrated public service models;
 - 7.4. the development of an aggregated evidence base from the pilot areas based on financial modelling of the new delivery models (and how to invest in them), evidencing the impact on outcomes and savings. This is not without its technical and practical challenges – there are issues of data quality, and political and practical difficulty in making cash savings from reducing the demand for public services. The LGA will commission consultancy support on financial modelling to provide independent challenge and validation;
 - 7.5. co-ordinating a pro-active, local government led approach to the national political and senior officer governance of the whole place pilots including briefing members for their leading role in the governance structures. We know that there will be political meetings with the Secretary of State for CLG and other ministers at regular milestones;
 - 7.6. the development of an offer on the governance challenges posed by community budgets;
 - 7.7. a networking and information sharing offer built around the Knowledge Hub and events.
8. The Department for Communities and Local Government are developing a set of milestones which include the pilots developing outline proposals before the summer recess that are firmed up in the autumn. There will be an opportunity to bring this to the plenary session of the LGA conference on community budgets.
 9. In summary, we will not win the argument for community budgets by arguing from first principles. The four pilot areas have asked the LGA to deliver an evidenced based campaign that would show a hard-headed and practical business plan for community budgets, contrasting this approach with the impact on local services if we maintain the current local public finance model.

Item 1

Financial Implications

10. The campaign can be met from within the Local Government Association's existing resources but will require all parts of the organisation to mobilise and contribute to the success of the campaign.

COMMUNITY BUDGETS – A DRAFT SHARED NARRATIVE

The delivery of public services on a business as usual basis is not sustainable.

Deficit reduction and current spending trajectories mean that the resources available are falling.

At the same time, demography, lifestyle choices and other factors are increasing the demand for services.

The only solutions are to either radically reduce the range on offer, or to reform the way services are funded and organised in order to reduce their cost to the taxpayer.

There are two broad avenues for reform; both need pursuing.

Firstly, through efficiencies in the way services are delivered – better use of staff, assets, procurement, the management of risk and so on. There is much more potential now to make these efficiency savings across public service organisations than there is within organisations where efficiencies have been driven out.

Secondly, through reducing demand for public services - a much stronger focus on prevention and early intervention and the de-commissioning of services as demand is managed down.

Both sets of reforms require new approaches to funding and delivering services that straddle public service organisations.

The whole place community budget pilots are the test-beds for the reform. They will assemble the business case for re-structuring local public finance by the autumn. The goal is not a simplistic single pot into which local public finances are aggregated and governed locally. The lesson from the first phase of community budgets is that money needs to follow reform.

Each of the pilot areas will catalogue the business cases for new ways of delivering public services – and the costs and benefits of doing so. They will model this against business as usual to illustrate the alternative to community budgeting.

The pilots will work together with local partners to create operational plans that fit with local circumstance. The LGA will play the national co-ordinating and influencing role.

Item 1

Appendix A

Looking ahead, whole place public financing will be the model for all places and the LGA will work with the vanguard areas to create the expertise to spread the model more widely.

In summary [the 30 second elevator pitch] the whole place pilots will produce deliverable business cases for local public services that are affordable now and in the long-term by rationalising objectives, simplifying management structures and managing down future demand and cost pressures.

Sector-led Improvement

Purpose of report

For discussion and direction.

Summary

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 progress in delivering our support offer; the approach has been adopted in both children's and adult social services; and further work has been undertaken to respond to councils' requests that we find a way to manage the risk of performance failure.

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. Therefore, officers supporting the LGA Improvement Board, Children's Improvement Board and the Towards Excellence in Councils' Adult Social Care Programme Board are seeking to produce one single document which will act as a framework for councils for sector-led improvement. This report highlights the key themes that will be set out in the document and also updates the Executive more generally on progress.

Graham Farrant, Chief Executive, Thurrock will attend the Executive to provide feedback about Thurrock's experience of sector-led improvement including their experience of recently having one of the new corporate peer challenges.

Recommendations

The Executive is asked to:

1. agree that there should be one overarching framework for sector-led improvement that brings together the work of the Children's Improvement Board, the Towards Excellence in Councils' Adult Social Care Board with that of the LGA Improvement Board.
2. provide any comments on the key issues (para 7.1 – 7.8) to be covered in the framework for the Improvement Board to consider before finalising the framework following input from the Children's Improvement Board and Towards Excellence in Councils' Adult Social Care Programme Board.

3. note the progress being made by Thurrock in line with the principles of sector-led improvement.

Action

As directed by the Executive.

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. Following the LGA's successful campaign to reduce the burden of inspection and assessment faced by councils the LGA published *Taking the Lead* the sector's approach to sector-led improvement. *Taking the Lead* was developed over a lengthy period of discussion and engagement with the sector and was published just over one year ago. The underlying principles that:
 - 1.1. councils are responsible for their own improvement;
 - 1.2. councils are accountable to local communities not Government or the Inspectorates;
 - 1.3. councils have collective responsibility for performance of the sector; and
 - 1.4. the role of the LGA is to support councils take advantage of this new approach,found overwhelming support.
2. The approach is based on what we have learnt about what works best for improvement. It stresses the value of robust self assessment; transparent and comparative performance information and challenge from ones peers – and it identifies the support the LGA is making available to help councils take advantage of this approach.
3. Since publication the LGA Improvement Board has led a programme of work designed to deliver and promote a range of support and develop a way of responding to councils' requests that we find a way of managing the risk of underperformance or failure, in order to minimise the potential detrimental impact on the reputation of the sector as a whole. The Improvement Board has been advised in this work by an independent advisory board chaired by Steve Freer, Chief Executive of CIPFA, and involving representatives from, amongst others, the Audit Commission, National Audit Office, SOLACE, Association of Directors of Adult Social Services and the Association of Directors of Children's Services.
4. Since publication of *Taking the Lead* new approaches to sector-led improvement have 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).
5. In each case the approaches have been developed in association with relevant Government departments, the LGA and the sector's representative professional

Item 2

bodies. They are based on many of the core principles and practices set out in *Taking the Lead*.

6. 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.
7. 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. Therefore rather than 3 distinct frameworks being produced, which councils could find confusing, officers are working on a single document which will cover sector-led improvement overall, including children's and adult's and also be applicable to other service areas. The Executive is asked to agree such an approach. The main areas that will be covered in the framework will include:
 - 7.1. Local accountability tools including the use of self assessment and scrutiny; local accounts for adults services.
 - 7.2. The role of corporate peer challenge, safeguarding and adults services peer challenges and the challenge process of self-assessments.
 - 7.3. 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 in Adult Social Care Programme Board.
 - 7.4. The role of regional structures and networks.
 - 7.5. The national role for detecting and preventing potential failure and in particular the role of Principal Advisors.
 - 7.6. The principles of information sharing.
 - 7.7. The early support that the sector can offer to councils.
 - 7.8. The role of the Performance Support Panel.

LGA support

8. **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 a free 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.

9. Key features of the Peer Challenge offer are:
 - 9.1. Councils are entitled to a free peer challenge at a time of their choosing in the next 3 years.
 - 9.2. It is flexible and tailored, allowing councils to use the peer challenge to focus on those local priorities, outcomes and ambitions which are important locally.
 - 9.3. It can be delivered for single councils, groups of councils or with their strategic partners.
 - 9.4. All corporate peer challenges will include a core component that looks at issues of leadership and corporate capacity and whose absence is linked to organisational failure.
 - 9.5. It is forward looking and non-bureaucratic (moving away from KLOEs/ self assessments/ evidence gathering requiring excessive documentation).
 - 9.6. It is delivered by the sector for the sector – using a peer-based approach.
 - 9.7. The results of the peer challenge are fed back to and owned by the authority.
 - 9.8. Peer challenge is voluntary – its primary aim is as an improvement tool.
 - 9.9. Peer challenge is not a sector-owned form of inspection.
10. 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.
11. 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:
 - “a very high quality team who provided honest and helpful feedback”
 - “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”
 - “the report was powerful and raised some questions we really do need to consider”
 - “the flexible and tailored approach is a real strength ensuring it is bespoke to meet the needs of individual councils”

“peer challenge is less formal and at the same time more informative and improvement focused than previous inspection approaches”

12. The Improvement Board will receive the results of a substantial review at its May meeting.

Improvement Journey of Thurrock Council

13. Graham Farrant, Chief Executive, Thurrock will attend the Executive to provide feedback about Thurrock’s experience of sector-led improvement including the corporate peer challenge they had in December 2011.
14. Thurrock is located to the east of London on the river Thames. It has over 18 miles of riverfront and 70 per cent of the borough is green belt. Thurrock has a population of 152,000 and has experienced an above average increase since 2001. The population is generally younger than the national rate, however 20 year projections suggest an above average increase in older people. The black and minority ethnic population is increasing, particularly with settled travellers moving into the area. Thurrock is fairly deprived, some parts being in the ten per cent most deprived areas in the country. There are also significant inequalities within parts of the borough. The political composition of the Council is currently Labour 24 seats, Conservative 22, Independent 2 and 1 seat is vacant. The Council is currently Labour controlled and the Leader is Councillor John Kent.
15. Thurrock council came to our notice in November 2008 when we were advised that their final CPA was to be 2 star but not improving adequately. In addition, its Use of Resources score was 1. The council had parted company with its CE in November 2008 and an internal acting up arrangement was in place.
16. At the initiation of the then IDeA, the leader of Thurrock Council agreed to meet with the IDeA and RIEP in early December 2008. This initial meeting confirmed the situation and agreed to the establishment of a Voluntary Improvement Board (VIB). The purpose of the VIB was to help Thurrock positively address the CPA and UoR recommendations and to demonstrate a commitment to improvement.
17. Improvement East was very closely involved and provided significant financial support totalling some £560k. The IDeA provided a range of support particularly in relation to member relationships. We also provided seconded staff to strengthen their corporate capacity. A key issue was that the Chief Executive at the time left the authority and it was clear the council needed greater managerial stability. An interim Chief Executive Bob Coomber who had many years experience of being the Chief Executive at Southwark council was brought in. This was followed by the permanent appointment of Graham Farrant who took over as Chief Executive in August 2010 and who also had

Item 2

served as a previous Chief Executive (London Borough of Barking and Dagenham as well as significant experience in the private sector).

18. Thurrock has continued to make significant progress in areas where it had been experiencing difficulties. In December 2011, Thurrock had a corporate peer challenge.
19. **Comparative 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.
20. LG Inform is a new, free of charge, service for the sector developed by the LGA providing a single point of access to a wide range of contextual and performance information; the ability to share and compare performance information between councils and the ability for members and officers to manipulate the data creating their own score cards and reports on issues of interest to them.
21. It 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.
22. Improvements were made to the initial version of LG Inform during the autumn of 2011. LG Inform now has a user base of over 280 registered authorities with over 1,200 registered users.
23. Further improvements to LG Inform are underway and the next version of LG Inform will help councils collate and compare their own key data to gain insights from the results and ensure more rigorous and informed decision-making based on the available evidence.

Managing the risk of underperformance

24. 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 quasi sector owned inspectorate.

Item 2

25. The independent Advisory Board advised, moreover, that the task of detecting, highlighting and taking action in respect of poor performance by individual local authorities is one of the most challenging issues facing the LGA.
26. The approach proposed builds on the key elements we have had in place for sometime but updated for the new context and brought together in a more coordinated way. It positions our team of Principal Advisers, supported in particular by the National and Regional member peers and the political group offices, as the focal point for all conversations with Council Leaders and Chief Executives about performance and improvement support (so providing a single point of contact across corporate, children's and adult social care). It has been welcomed by the independent Advisory Board and shared with the Department for Communities and Local Government and other Government departments who similarly have welcomed the positive steps that the LGA is taking.
27. Given the distinctive nature of the issues that might occur the way issues arise and then are dealt with is likely to vary across the country. This makes it important that the focal role of Principal Advisers is well understood and that they are able to build effective relationships across children's and adults services and with the remaining sub-national sector owned improvement structures that exist.

Conclusion and next steps

28. Significant progress has been made in delivering our *Taking the Lead* offer and mainstreaming the approach in other areas. We will ensure (as far as it is possible within the context of the partnership approach in adults and children's services) that:
 - 28.1. the process is led politically;
 - 28.2. there is a consistency in the offer across corporate, adult and children's improvement; and
 - 28.3. this work is communicated to the sector in a consistent and mutually reinforcing way.
29. The Improvement Board has agreed an evaluation process of the overall approach as well as an evaluation of the LGA's offer of support to the sector.

Financial Implications

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

Item 3

Update on the adult social care campaign publication ‘Guide to the care and support white paper’

Purpose of report

To inform the LGA Executive of progress with the ‘Guide to the care and support white paper’ as part of the LGA’s adult social care campaign.

Summary

This report introduces a new publication from the Community Wellbeing Board team, a ‘Guide to the care and support white paper’. Copies of the guide will be tabled at the meeting.

Recommendation

The Executive is asked to note the publication for information and discussion.

Action

LGA officers to action as necessary.

Contact officer: Matthew Hibberd
Position: Senior Adviser
Phone no: 0207 664 3160
E-mail: matthew.hibberd@local.gov.uk

Item 3

Update on the adult social care campaign publication, ‘Guide to the care and support white paper’

Background

1. At its February meeting the LGA Executive endorsed the Community Wellbeing Board’s proposals for campaign work on adult social care reform and funding ahead of an expected spring white paper. These include:
 - 1.1. A guide to the white paper setting out what we hope to see in the document and tests we will use to judge its likely effectiveness.
 - 1.2. Analysis of the current funding situation facing adult social care along with projections of future costs.
 - 1.3. Polling to gauge the public’s level of understanding of how the system works, preparations they are making for their possible future care needs, and preferences for how their potential needs will be addressed in the future.
 - 1.4. Making the economic case for reform based on current workforce levels and projected job creation to meet the needs of our changing demography.
 - 1.5. Developing the message that the cost of reform is a cost worth paying by comparing it to areas of wasteful public spending.

The ‘Guide to the care and support white paper’

2. The guide to the white paper is likely to be the main ‘product’ of the pre-white paper campaign, and publication is planned to coincide with the Smith Square Debate on care and support reform on 14 March.
3. Copies of the guide will be available at the Executive meeting. Members will note that it is based around three ‘tests’:
 - 3.1. Test one: does the white paper set out proposals for a reformed system that is likely to achieve our aims of:
 - 3.1.1. Improving the individual’s experience of care and support.
 - 3.1.2. Providing stability, predictability and transparency, and encouraging the long-term view.

Item 3

- 3.1.3. Using the totality of local resources.
- 3.1.4. Providing sufficient funding that is appropriately directed.
- 3.2. Test two: does the white paper set out a timetable for reform that recognises the urgency of the challenge and commits to immediate action where possible?
- 3.3. Test three: does the white paper articulate a clear role for local government in a reformed system and recognise the importance of a local approach to care and support?
- 4. The guide is pitched at a deliberately high level, focusing on the extent to which the white paper will help deliver the type of system we want to see in the future, rather than the specific mechanics of implementation. Work on this level of detail will be taken forward once the white paper is published and we have a clearer idea of the government's plans for the future.
- 5. We will score the white paper against the above tests and will use these judgements as part of our wider work in response to the white paper once it is published. We will also be encouraging key stakeholders to use our scoring system and to share their assessments with us. This is likely to heighten interest in the guide from a national media perspective.

Next steps

- 6. Officers from the Community Wellbeing team and the Media team are working closely together to ensure the LGA receives maximum coverage of the guide to the white paper, and the other work outlined above (points 1.2 – 1.5).
- 7. Once all of the campaign activity has been completed the Media team will conduct some simple analysis to gauge the level of media coverage the LGA's work has received. This will help shape the next, post-white paper, phase of the adult social care campaign.

Regional Report – West Midlands – Councillor Philip Atkins

Purpose of report

For discussion.

Summary

This report sets out the work of the West Midlands region.

Recommendation

The Executive are asked to comment on and note the regional report.

Action

LGA officers to proceed as directed

Contact officer: Councillor Philip Atkins
Position: Leader, Staffordshire County Council

LGA Executive

15th March 2012

WEST
MIDLANDS
COUNCILS

The West Midlands' Regional Report

Cllr Philip Atkins
Chair – West Midlands Councils





On behalf of the West Midlands I want to use this session today, to share with you some of the successes of the councils of the West Midlands, to talk about what we are doing at West Midlands Councils and to consider how we want to work with the LGA in the future.

The West Midlands has a long history of Innovation for example...

This esteemed gentleman is Dr William Penny Brookes who in 1850 invented the Olympic Games. Obviously the concept has been more than popular since then and I'm pleased to say that the London 2012 Olympic Mascot 'Wenlock' is named after Much Wenlock in recognition of the towns' role in inspiring the modern Olympic Movement.

My region is well known for its long history of car manufacturing, this started with the manufacture of the Daimler Motor Carriage, pictured here, in Coventry in 1897 which saw the first ever series production run.

Ironbridge, on the River Severn, has an impressive history starting in 1709 when Abraham Darby founded the Coalbrookdale iron foundry there. Darby initiated major innovations in smelting which resulted in the production of better quality iron much faster than had ever before been possible. And which enabled the design and production of the first bridge in the world to be built of cast iron in 1776.

The Potteries of Stoke on Trent and Staffordshire have long been a hot bed of innovation and invention. The production of pottery dates back to at least the 17th century and saw the rise of one of the area's most famous sons, Josiah Wedgwood. Wedgwood worked at the time when pottery production was in the process of changing from a cottage-based to a factory-based industry, a transformation that placed the Potteries at the forefront of the Industrial Revolution.

In 1769 Wedgwood himself built one of Britain's first large factories, where he developed his world renowned, cutting edge pottery designs, supported the building of the, now, Trent and Mersey Canal and invented the pyrometer, a device to measure the extremely high temperatures that are found in kilns during the firing of pottery.

Staffordshire has also given rise to a term which represents one of the scourges of local authorities. Did you know that before 1700, potters were criticised for digging holes in the roads to obtain clay, a practice which gave rise to the term 'potholes'!

The West Midlands' local authorities have always, and continue to, build upon this tradition of innovation and invention. We have selected some key examples from a pool of many innovative projects and schemes to share with you.

Wyre Forest District Council



Stourport Facilities Project



Stourport Facilities Project

Stourport Facilities Project is about unlocking the potential for transferring assets into community ownership. The project has been managed and supported by a cross party, cross sectoral group which involves the local community.

Following initial mapping of all public facilities they are now exploring the viability of transferring Stourport Civic Centre into community ownership once Wyre Forest District Council (WFDC) vacate the site in June 2012. They are also exploring the possibility of developing a multi use hub at this site.

“The Civic” group has recently been formed and has begun developing potential plans to manage the Civic Hall/Theatre with the aim of developing a programme of events and activities throughout the year to make the Civic Hall a focal point for local people and a thriving Wyre Forest venue for the arts.



Bigger Homes, Brighter Futures has been shortlisted for an LGC Innovation Award. It's a cross sector scheme to address a lack of larger family housing. A flexible partnering approach included increasing the size of houses under development, bringing empty properties back into use, and de-converting flats. As a result of this scheme, more than 300 residents were re-housed into permanent, affordable accommodation and so were offered a better quality of life.

Birmingham 4G. Birmingham is the first UK city to procure a 4G next generation wireless network for superfast mobile broadband across the city by 2014. The superfast network will:

- Provide greater flexible and agile working opportunities
- Support channel shift and digital by default
- Reduce digital exclusion
- Provide new opportunities for entrepreneurs and developers

Birmingham Energy Savers (BES) is a five year project with three phases to encourage Birmingham's people to adopt a different attitude to their properties focusing on actions to improve energy efficiency and renewable energy generation.

The BES programme offers free energy makeovers, to homes installing energy efficiency measures, which can include the fitting of photovoltaic panels. To date 1200 solar installations have been completed.



Memorandum of Understanding

A Memorandum of Understanding (MOU) between Coventry, Solihull and Warwickshire Councils was formally agreed in February this year. The MOU is a statement of intent to allow the councils to work together to:

- Deliver efficiency savings and reduce costs whilst building resilience across the organisations;
- and thus improve the quality of services that customers and citizens experience.

The agreement builds upon a long history of joint working between the councils. The MOU will allow for the consideration of shared solutions to commissioning which may mean anything from jointly commissioning a service from the private sector to one of the partners delivering the service on behalf of all three.



Staffordshire Partnership Trust

In December 2011 Staffordshire County Council formalised plans to create the largest combined social care and health trust in the UK. The new Partnership Trust will deliver fully joined up community health and social care services.

This is seen as an opportunity for a step change improvement in patient and service user experience. County Council staff will be transferred to the NHS and Adult Social Care Functions will be delegated to the Partnership Trust.



Walsall Works

Walsall Works is a multi-million pound financial investment from the Council. It has been designed in consultation with key partner agencies and customers to develop sustainable employment growth within Walsall based businesses and to raise the ambition of young people and reduce the number of NEETS.

Walsall Works will:

- Subsidise 550 apprenticeships by offering an incentive payment of up to £3000 to employers who will commit to employing the apprentice for a duration of 1 to 4 years.
- Offer 190 young people, who do not meet the entry requirements of a full apprenticeship, access to an incentive based pre-apprenticeship course.



In Cab System for Refuse Vehicles

Solihull MBC scooped the best new idea/innovation category at the Local Authority Recycling Advisory Committee awards for the use of the in-cab system to reduce the number of missed collection visits for refuse vehicles.

The in-cab system is a real-time data management system which uses detailed electronic round schedules, to allow crews to immediately respond to customer input and can differentiate between properties where a reported missed bin collection is the result of incorrect or non presentation by residents as opposed to crew error. Critically, the introduction of the new service enabled Solihull to save £100,000 by not returning to collect missed collections.



Commissioning services to children and young people with speech, language and communication needs.

In October 2012, NHS Worcestershire and Worcestershire CC worked in partnership to review speech, language and communication (SLC) provision resulting in a jointly commissioned service which has won a national award from the Communications Trust and most importantly has already made a real difference to outcomes for children and young people.

A selection of the key outcomes has been:

- Consistent standards of service provision and delivery across the whole service area.
- Every Child a Talker success has meant that the number of children at risk of SLCN had reduced from 46% to 28%.
- The number of children requiring targeted intervention after reception year halved and those requiring referral on to specialist services reduced from 19.5% to 4.1%.
- Waiting times for speech and language therapy have decreased with below 5% waiting above the expected levels in comparison to over 25% in 2009/10.

The Worcester Diglis Riverside Renaissance.

Worcestershire County Council in partnership with Worcester City Council won the MJ Sustainable Infrastructure Achievement of 2010 Award for this project.

The project had four major phases of work; behavioural change, renovation of the West Bank, new walking and cycling links and finally the construction of the Diglis Bridge.

A selection of the key outcomes have been:

- Car use has decreased across the City of Worcester by 12%.
- A 19% increase in walking.
- 31% increase in cycling.
- Improvements to the local bus network have delivered a 13% increase in passenger transport usage.
- In terms of enhancing sustainability, this has meant that almost 20 million car kilometers were saved.

Worcestershire Highways.

Worcestershire CC worked with their highways maintenance service provider on an ambitious programme of service re-configuration and culture improvement designed to deliver improvements to road users with enhanced value and cost savings.

The partnership applied LEAN techniques to overcome challenges including; inherited methods of working, differing cultures and satellite operations across the County.

Some of the key outcomes have been:

- Defects fixed per gang per day up from 3.5 to 10.7.
- Reactive gangs reduced from 25 to 16 (£1 Million p.a. savings).
- Overdue jobs eliminated.
- Inspection service productivity improvements of 20%.
- Creation of the Motorcycle Liaison Officer positions.



Gusto.

Gusto is a self-help co-operative that encourages older people to meet others through activities in their local area. Shropshire has one of the highest per head populations of older people in Britain.

There is a clear need to change the way in which adult social care services are delivered and the new approach in Shropshire will pilot services which are designed to focus on how people want to live their lives and what they want to be able to do.

Gusto is going to be targeted at older people who are apathetic towards what happens next in their lives. It will:

- Provide a coach to work with individuals to unlock their potential.
- Facilitate a buddying system using older people who themselves are already well connected in the community.
- Bring together groups of older people in an environment of mutual support and encouragement.



Local Action Partnerships

Locality Action Partnerships (LAPs) are made up of service providers, local Councillors and residents working together on issues that matter to local communities. They provide the opportunity to join up local services to meet the needs and priorities of the community and to reduce gaps in service delivery and outcomes. In the Borough of Newcastle-under-Lyme, there are 11 Locality Action Partnerships established with the following key aims:

- Establish local priorities via intelligence and community led planning;
- Enable residents to influence, challenge and be involved in service delivery;
- Engage elected members with their communities and partners;
- Improve communications;
- Enable service providers to engage at a local level and to work together to meet local need;
- Give a voice in each locality to identify and fix issues;
- Strengthen community understanding and awareness; and
- Reduce inequalities, enabling funding and staff to be utilised more effectively and efficiently

An example of LAP activity in Butt Lane and Kidsgrove is the development of a teenage pregnancy DVD project aimed at tackling issues relating to teenage pregnancy and to reduce the numbers of teenage pregnancies across the two localities. A cross sector partnership is leading the work and funding and a location for filming have been secured to date.

So we know that our local authorities can and are meeting the challenges that they face through innovative and creative thinking and excellent partnership working with the public and private sectors and with each other.

In the West Midlands local authorities have a 50 year history of working together in areas of shared benefit on important cross boundary issues. 50 years ago this was under the umbrella of the West Midlands Forum but things do not stand still and that is why this body has modified and adapted to changes and demands through this time. The latest manifestation of this desire and need to work together is West Midlands Councils



West Midlands Councils is a Member led organisation comprising of all 33 local authorities within the West Midlands.

West Midlands Councils supports, represents and promotes the collective interests of councils and the communities they serve. As such it aims to provide:

- A resource to enable, facilitate and coordinate regional, sub regional and local activity, where collective working will add value.
- Value added services to member organisations in support of organisational development and improvement activities.
- A focus for local authority activity and engagement to deliver against priorities set by the councils in the West Midlands.

WMC supports local authorities in their daily jobs, to improve and become more efficient, to have space to think about innovation, to share what they are doing, to push the boundaries and to learn from each other.

As with every region the state of the West Midlands' economy is one of the key concerns for local government and the West Midlands has very significant challenges to overcome with respect to creating jobs in the private sector.



The West Midlands Economy

- * 10 years to 2009 has seen the West Midlands as the only region to see a net loss of private sector jobs.
- * In addition for the 12 months from June 2010 the West Midlands lost 26,100 public sector jobs and a further 13,500 from the private sector.
- * GVA per hour worked in the West Midlands is the third lowest in the UK with only Wales and Northern Ireland's lower.
- * 2009 manufacturing accounted for £14bn or 15% of Region's GVA, compared to 12% for the UK as a whole.
- * Also in 2009 8.5% of the UK workforce was employed in manufacturing, the comparable figure for the West Midlands was 11%, down from 22 % in 1996.



The 10 years to 2009 has seen the West Midlands as the only region to see a net loss of private sector jobs. In addition for the 12 months from June 2010 the West Midlands lost 26,100 public sector jobs and a further 13,500 from the private sector.

Similarly increasing GVA is just as challenging. GVA per hour worked in the West Midlands is the third lowest in the UK. In 2009 manufacturing accounted for £14bn or 15% of Region's GVA, compared to 12% for the UK as a whole. Also in 2009 8.5% of the UK workforce was employed in manufacturing, the comparable figure for the West Midlands was 11%, down from 22 % in 1996.

In the West Midlands, civic and business leaders are only too familiar with the economic challenges with higher unemployment rates overall (6.3% claimant count v 5% in UK) and in the 18-24 year bracket (10% in WM, 8% in UK) as well as competitiveness in terms of peoples skills levels (with 26% with NVQ level 4 or higher, compared to 31% in the UK).

These imbalances and local variations in economic performance and the inability of successive governments to let go of the micro-economic levers strongly suggests a new approach is needed, one that targets interventions much more effectively at local economic circumstances.

Local government has a strong track record in transforming the economic performance and potential of places, and WMC has been a long-standing champion of economic devolution.

But of course there are other key issues that pose challenges to local government in the West Midlands for example:

Other Key Issues

- * Ensuring that the new health and social care arrangements work for local authorities.
- * Understanding the implications of the Welfare Reform Bill.
- * Determining the new role for councils in education.
- * Influencing the 2014 round of European Funding programmes for the benefit of the West Midlands.
- * Ensuring effective arrangements are in place to support and enable sector-led improvement.
- * Helping authorities manage an increasingly challenging industrial relations environment.
- * Integrating work force planning, recruitment & resourcing into a single approach to talent management.



- Ensuring that the new health and social care arrangements work for local authorities.
- Understanding the implications of the Welfare Reform Bill.
- Determining the new role for councils in education.
- Influencing the 2014 round of European Funding programmes for the benefit of the West Midlands.
- Ensuring effective arrangements are in place to support and enable sector-led improvement.
- Helping authorities manage an increasingly challenging industrial relations environment. (Pay award, pensions etc).
- Integrating work force planning recruitment and resourcing into a single approach to talent management (Making sure in a declining workforce that we can retain and maximise the use of talent).

Here is a flavor of some of the activities which we are undertaking to assist our councils to meet the challenges which they face:



Produced a shared narrative on how councils can deliver economic growth. The shared narrative describes how local authorities will work together and with the LEPs on cross boundary issues especially in the context of economic growth.

Making the duty to cooperate work. Supporting the West Midlands Planning Officers Group to develop a bottom up approach which will assist councils in ensuring that they have taken reasonable steps to discharge the duty. WMC will commend the approach to local authorities.

Helping local authorities make the new health and social care arrangements work in their areas. Supporting lead members to prepare for the changes to the health and social care system and their new responsibilities. This has progressed from an early “heads-up” briefing session for leaders to a “leadership academy” supported by Department of Health and on to on-going work with LGA and DoH on Health and Well Being Board Leadership Development.

Helping Councils understand the implications of the Welfare Reform Bill. As well as holding an event for senior members and officers on the impact of the welfare reforms on councils and their communities, a bespoke briefing paper was produced putting the changes into the context of the West Midlands’ specific economic and social circumstances.

West Midlands wide Education Forum. For Lead Members and Chief Executives to discuss councils’ new roles in education focusing on championing educational excellence, parents and families, and vulnerable pupils as well as their role as champions of partnership. The Forum’s discussion will feed directly in to the work that SOLACE is undertaking.

Localism Act Part 2 Policy Statement on councils’ liability for EU fines. WMC is coordinating a West Midlands wide response.

LEP lead officer support. WMC facilitate LEP lead officers to meet informally to share issues and assist co-ordination. BIS also attends part of the meeting. WMC also maintain information about LEP membership, activities and other relevant data to assist LEP officers and others.

Keeping in Touch Newsletter. The Newsletter is produced approximately every two weeks and has a circulation of around 500 members and senior officers many of whom circulate it further within their organisations. The newsletter includes articles on news, reports affecting local authorities in the West Midlands, initiatives by member councils and listings of relevant events.

Redesigning our European Offer. To provide; an affordable presence in Brussels which provides capacity to influence European policy and future funding rounds; and a West Midlands base which focuses its work on ERDF and positioning the West Midlands to take full advantage of the new funding programme, 2014 -2020.

Events, Seminars and Knowledge Shots. Throughout the year we run a number of thematic, events, seminars and knowledge shots for elected members and officers to keep them up to date with latest developments and create space for discussion and debate.

EPay Check. The new epaycheck service will provide participating local authorities with access to 'real time' pay benchmarking data for hundreds of common roles that exist across the sector. Once authorities have deposited their data in epaycheck they will be able to generate user defined reports providing invaluable and specific benchmarking data.

Sector Led Improvement. WMC work in partnership with IEWM to ensure effective engagement with members and senior officers in this agenda. The arrangements and activities underway in the West Midlands were recently commended by the LGA Principal Advisor as being amongst the best in the country.

Future Working with the LGA.

- * Earlier engagement in policy development and responses to government activity;
- * Joint planning of activity in our area so that we can avoid duplication and be in a position to work with you on that activity.
- * A greater understanding of our region and of geographical variations to enable the LGA to take a more nuanced approach – we can help you with this!
- * Draw upon our local expertise and ability to engage directly with councils across all levels through our strong networks and excellent relationships.



The West Midlands is clear about the benefit of councils working together for mutual benefit and this is no different on the national scale. We welcome the closer working which has taken place with the national LGA in recent months in particular:

- The direct input into the LGA Executive.
- The co hosting of thematic events in our region.
- That the West Midlands' expertise in European issues will be drawn upon as our lead role in this respect develops.
- Sourcing speakers for the LGA conference and the plenary session on Driving Local Economic Growth and participating in our own WMC/IEWM fringe event.

But what could we do better:

- Earlier engagement in policy development and responses to government activity.
- Joint planning of activity in our area so that we can avoid duplication and be in a position to work with you on that activity.
- A greater understanding of our region and of geographical variations to enable the LGA to take a more nuanced approach – we can help you with this!
- Draw upon our local expertise and ability to engage directly with councils and partners across all levels through our strong networks and excellent relationships.

LGA Business Plan 2012/13

Purpose of report

For decision.

Summary

1. A revised version of the LGA's Business Plan for 2012/13 is presented for agreement. This was presented as a draft to Executive in January and has since been amended in the light of feedback from members as follows:
 - 1.1. It focuses on the top priorities for the LGA, rather than including all the priorities for each programme area.
 - 1.2. It includes feedback from the January meetings of the LGA Boards.
 - 1.3. It expresses the LGA's priorities in terms of the outcomes and impact we are seeking to achieve, rather than the activity we will be undertaking.
2. The Business Plan now also includes the LGA's campaign priorities for 2012-13 as agreed by Leadership Board.
3. Regional local government representatives were invited to comment on the draft business plan and the amendments have been made in the light of this feedback.
4. The LGA's budget for 2012-13, which allocates resources to enable us to deliver the priorities in the Business Plan, is also presented to this meeting.

Recommendation

To agree the LGA Business Plan for 2012/13.

Action

A performance framework to be put in place for 2012-13 to monitor delivery.

Contact officer: Helen Platts
Position: Head of Business Development
Phone no: 020 7664 3558
E-mail: helen.platts@local.gov.uk



**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

2012-13 Budget

Purpose of report

For decision.

Summary

1. The 2012-13 budget is set out in the **attached** Budget Book and is being recommended by Resources Panel. It is based on the medium-term financial strategy for the LGA and has been informed by the priorities set out in the 2012-13 Business Plan.
2. All areas of the budget have now been agreed, apart from the programme budgets where budget submissions have exceeded the available budget. An initial allocation of half the available budget has therefore been made to these areas, with further work to be completed by the end of May to agree a set of programme proposals that align with the priorities in the business plan and are within the available budget.
3. The Resources Panel will review and agree the final proposals for programme budgets before the end of the first quarter once this review and challenge process has been completed by the Strategic Management Team. The Resources Panel will be involved in overseeing these budgets in particular during the year, to ensure that programmes are delivered according to plan.

Recommendation

Members are asked to agree the 2012/13 budget, subject to a final set of proposals on programme budgets being agreed in the first quarter of the new financial year by Resources Panel.

Action

Director of Finance and Resources/Head of Business Development

Contact officer: Stephen Jones/Helen Platts

Position: Director of Finance and Resources/Head Business Development

Phone no: 0207 664 3358

E-mail: helen.platts@local.gov.uk



LGA Budget Book 2012-13

for Executive – 15 March 2012

Summary

1. This is the second year for which a consolidated budget has been developed for the LGA and its related organisations. This reflects the full integration of the management and operations of the LGA, LG Improvement and Development (LGID), LG Employers (LGE), LG Regulation (LGR) and LG Leadership (LGL), to deliver greater value for money for councils.
2. The budget for 2012-13 has been driven by the strategy for the LGA and the priorities set out in the annual business plan. This has been developed to take account of councils' top priorities against a background of significantly reduced public spending and an exceptionally tough financial settlement for local government.
3. The 2012-13 budget also takes account of the reduced funding base of the LGA and its related organisations – from nearly £100m in 2010-11 to core income of just over £50m from 2011-12. Taking into account feedback from member authorities, LGA subscriptions have been set at levels that overall will be likely to raise 9% less income than in 2010-11 as part of a planned reduction since 2006. RSG topslice funding has also been reduced by 10% in 2012-13 following a 20% reduction last year. This has resulted in a reduction in core funding of nearly £4m in 2012-13 as compared with 2011-12.
4. Over the last year, the LGA has taken significant steps to manage within this reduced funding base, reducing the number of core posts from 447 to 269. The £7m one-off costs arising from this change have been covered in previous financial years, so there is no further impact on the 2012-13 budget.
5. The 2012-13 budget takes account of the £0.3m efficiency savings that have already been achieved for the LGA's outsourced support services. Additional rental income is also being earned on Layden House following the move of all LGA employees into Local Government House in May 2011. Further reductions in the LGA's overheads are however required given the overall reduction in size of the LGA. Negotiations are currently underway with the service provider to ensure these are delivered over the course of the next year.
6. The LGA's 4-year financial strategy is included at **Appendix A**. An overview of the LGA's budget for 2012-13 is set out at **Appendix B**, along with a summary of the position for each of the companies in the Group at **Appendix C**.

Context

7. Local government is facing the most radical changes in a decade. The economic downturn means there is less money for local government. As part of its public expenditure policy, government grants to councils are reducing by about 30% which will affect the way every citizen is served.

8. 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 businesses are developed. Climate change, population movement, social change and an ageing society are also challenging councils operationally and financially.
9. The government is looking for the public sector to be transformed, increasingly commissioning and facilitating services which are delivered by other organisations or communities themselves.
10. Government policy also means that councils will have to exercise democratic leadership at the heart of a new set of relationships between the citizen and the state including education, health, adult social care, and with the voluntary and community sector, police and fire, regulatory services and planning.
11. Our offer to councils - as set out in the LGA's business plan for 2012-13 - is driven by what councils have told they want from us, and is designed to help councils thrive and adapt to these changes and where possible improve the quality of life for local residents.
12. The economic context also has direct consequences for the LG Group's own finances which are reflected in the 2012-13 budget and our financial strategy for the next three years:
 - a 38% reduction in RSG topslice by 2013-14
 - councils under pressure to reduce discretionary spend - including LGA subscriptions
 - a reduction in the number and value of grant-funded programmes
 - a fall in demand for directly paid for services such as conferences and leadership programmes
 - interest rates at historically low levels - reducing earnings on cash balances
 - pressure on pension funds, as earnings on equities are potentially depressed, along with the need to make good pension deficits through a programme of payments of significant additional contributions
 - uncertainties in the wider economy including possible future increases both in inflation and in taxation.

The LGA's financial strategy

13. The medium-term financial strategy for the LGA and its related companies – LGID, LGE, LGR and LGL – is set out at **Appendix A**.

14. This shows that the current levels of pay and non-pay activity can be maintained over the next three years, even in the face of declining subscription income and RSG topslice, by the following means:
- 14.1 Continuing to secure additional grant funding and ring-fenced monies for specific programmes and securing an estimated £1.5m contribution to overheads from these
 - 14.2 Continuing to secure income from direct services such as conferences and events and leadership programmes
 - 14.3 Securing full rental and recharges for the whole of Layden House
 - 14.4 Exploiting new commercial opportunities, for example through the Knowledge Hub
 - 14.5 Securing the Geoplace dividend of £0.2m, £1.2m and £1.5m in 2012/13, 2013/14 and 2014/15– Geoplace is a Joint Venture in which the LG Group has invested with Ordnance Survey
 - 14.6 Engaging in a contract re-negotiation with Liberata to secure significant savings in overhead, at least commensurate with the overall reduction in the size of the LGA.
15. This is a challenging but achievable agenda, which is now being taken forward as a priority during 2012-13. In addition, the LGA will need to start preliminary discussions on the future of RSG topslice in the next spending round from 2015-16, which is now only three years away.

2012-13 Budget proposals

Income

16. Following a reduction of over £10m (19%) in core funding in 2011/12 from the previous year, the LGA faces a further reduction of nearly £4m in core funding in 2012/13 as a result of the planned £1m reduction in subscription income and the agreed reduction of £2.7m in RSG topslice.

LGA Subscriptions – planned reduction from £10.8m to £9.8m

17. In recent years subscription income has been on a declining trend as part of a deliberate strategy of reducing costs to LGA members, with a real terms reduction in LGA membership subscription income of 35% since 2006. This has included major reforms to the structure of the membership subscription which were put in place from April 2010, resulting in a simplified subscription structure. In November 2010, members agreed the overall strategy of a further reduction of around 20% in membership subscription over the following three years in response to the financial challenges faced by member authorities, in line with the overall reduction in Formula Grant. A prompt payment discount was also agreed by members for 2011-12.

18. Members have now agreed the subscription level for 2012-13, delivering the promised further 20% reduction in subscriptions by 2013-14 from the 2010-11 baseline of £12.3m. This will result in subscription income of £9.8m. This includes subscription income of £240k from the Welsh LGA on behalf of Welsh authorities. Given that the majority of reduction in subscriptions has now been achieved, reductions in 2013-14 and 2014-15 will be at more modest levels.

2010/11	2011/12	2012/13	2013/14	2014/15
£12.3m	£10.8m	£9.8m	£9.7m	£9.7m

19. For 2012-13 we have included a provision of £250k to allow for likelihood that a proportion of the 8 councils currently on notice (the total value of their subscriptions is £400k), will follow through with their stated intention of leaving membership.

RSG Topslice – projected to reduce from £28.4m to £25.7m

20. The LGA has been successful in securing continued RSG top-slice for the current spending round, having made the case in the RSG prospectus submitted to CLG in September 2010. The prospectus set out the outcomes the LGA will deliver for this funding and is a core component of the LGA's strategy.

21. RSG topslice is however being significantly reduced, by a total of 33% over the four years to 2014/15.

2010/11	2011/12	2012/13	2013/14	2014/15
£41.30m	£32.50m	£29.25m	£27.50m	£27.50m

22. RSG is being reduced by 10% in 2012-13 and by a further 6% in 2013-14. Gross RSG in 2012-13 will therefore be £29.25m, out of which £2.1m will be paid to Local Partnerships (a reduction of 16% on 2011-12) and the following amounts to the three organisations that were formerly specified bodies:

	2011-12	2012-13
National Foundation for Educational Research	350	200
National Youth Agency	900	900
National Institute for Adult Continuing Education	350	350
Total	£1.6m	£1.45m

23. Since 2011-12, when RSG has been paid to these organisations via the LGA rather than direct from government, work has been underway to establish a commissioning relationship with them and to ensure their work supports the LGA's priorities.
24. In awarding top-slice, Government agreed to remove the centrally-imposed restrictions on how topslice funding is provided to the organisations directly associated with the LGA, allowing local government itself to decide what support it requires nationally and how best to organise to deliver that support. LGID formally receives RSG topslice on behalf of the LGA.
25. The individual company structures have been maintained in spite of the new organisational arrangements for the LGA because of the ongoing pension liabilities of these organisations and the current restrictions on transferring employees between pension schemes. Employees' employment contracts are therefore continuing to be held with the organisation that employed them before the new integrated organisational arrangements were implemented. RSG will be allocated to each company to ensure that these employment costs, and the associated overhead costs, are covered. In the proposed budget for 2012-13, programme budgets for improvement work, and workforce, which are funded out of RSG, have also been allocated to LGID and LGE respectively.
26. The allocation of RSG to the individual companies is set out at **Appendix C**. RSG will be allocated to cover all the costs identified in paragraph 26 above, to ensure that each company breaks even. This financial arrangement which is the approach taken in 2011-12, does not affect the actual operations of the LGA. Staffing and other resources will continue to be managed as if they were one organisation through a fully integrated management structure.

Ring-fenced funding

27. Income from grant-funded and other ring-fenced programmes is holding out well, in spite of concerns that this might be under pressure as result of the squeeze on government spending. Our ring-fenced programmes fall into the categories below.
28. **Grant-funded programmes** – income from grant-funded programmes is projected to be about £12m. So far we have secured the following funding for 2012-13:

- 28.1 £8.0m – Children's Services Improvement Programme
- 28.2 £2.65m – Planning Advisory Service
- 28.3 £0.37m – Health and Wellbeing Programme

29. We also expect funding to be carried forward from 2011-12 from a significant number of grant-funded programmes, including Third Sector Commissioning and the Adult Sector Led Improvement programme.

30. **Workforce programmes** – we also receive funding, paid to LGE, for specific workforce services including:

30.1 Police Negotiations – grant-in-aid from the Home Office of £265k

30.2 Pensions – contributions from local government pension schemes of £700k

31. **Legal actions** - other ring-fenced activity will be undertaken by the LGA in 2012-13 on a cost-recovery basis, including the continuing legal action on behalf of local government for the Icelandic Bank Debt Recovery; and the actions on Academies Funding and Property Searches.

32. To date, a number of different approaches to overhead recovery have been adopted for grant-funded and other ring-fenced work. From 2012-13 we will adopt a consistent policy for overhead recovery.

Other income

33. Another source of income for the LGA is from direct services to councils and sponsorship. In 2012-13 this is expected to include income from conferences and events, from the Knowledge Hub, and also from the LGA's leadership programmes.

34. Conference income is expected to be in the region of £1.4m in 2012-13 in line with the experience of 2011-12, and taking account of the fact that the LGA will not be running the Adult Social Care conference this year (the LGA runs this on alternate years). The LGA will continue to run a comprehensive programme of events for 2012-13 as a major plank of its engagement with councils. The decision as to whether to charge for events is taken on a case by case basis, taking into account the conference market generally, the likely demand and also the LGA's priorities for working with its members.

35. Priority will also be given during 2012-13 to exploiting the commercial opportunities presented as a result of our investment in the Knowledge Hub. Income of £200k is projected, with the potential to increase this in future years as the Knowledge Hub becomes established.

36. We will continue to charge councils for some services, including our leadership programmes for individuals and the National Graduate Development programme, which are only partly subsidised, and direct support on workforce issues.

37. Interest on cash balances is expected to earn over £100k in 2012-13. Average cash balances for the year are expected to be in region of £18m. Cash balances are being invested in the line with the Treasury Management policy recently reviewed by both the Resources Panel, in which the emphasis is maintained on placing deposits in very highly rated institutions.

Expenditure

Employee costs

38. Following a full consultation exercise, from 1 June 2011 the number of core posts across the LGA and its related organisation was reduced from 447 to 269 - a reduction of just under 40%. This staffing reduction was in response to the significant reduction in core funding which came into effect from 2011-12.
39. The new integrated structure was designed to deliver the LGA's priorities with a lower funding base by:
- 39.1 bringing together policy and improvement staff into a flexible delivery team
 - 39.2 stopping some areas of work, for example the Local Innovation Award Scheme, and making significant savings in other areas, for example, the administrative processes in the Peer Clearing House, the National Graduate Development Programme, and our work on local government regulation - so that resources can be directed to our priorities
 - 39.3 prioritising direct delivery posts over administrative and back office posts, resulting in a sizeable reduction in the number of support posts.
40. The staffing budget for 2012-13 is based on our current core staffing commitments, which are projected to be £15.8m. This assumes a vacancy factor of 4%.
41. Additional posts for employees working on grant-funded programmes will be covered by the funding for those programmes.

Operational costs - Non-pay costs

42. The available budget for programme costs is £9.8m in 2012-13. Budget proposals have been developed by senior managers to enable them to deliver the priorities set out in the LGA's business plan for 2012-13, in line with the steers on lobbying and improvement priorities provided by the LGA boards. However, budget submissions have exceeded the available budget. An initial allocation of half the available budget has therefore been made to these areas, with further work to be completed by the end of May to agree a set of programme proposals that align with the priorities in the business plan and are within the available budget.
43. The Resources Panel will review and agree the final proposals for programme budgets before the end of the first quarter once this review and challenge process has been completed by the Strategic Management Team. The Resources Panel will be involved in overseeing these budgets in particular during the year, to ensure that programmes are delivered according to plan.

44. This budget covers the budget for Organisational Governance, including the Political Group Offices, which is being maintained at the same level as for 2011-12 at £210k; and also the Communications budget, which is being reduced from £3.2m in 2011-12 to £2.4m in 2012-13 in the light of the actual pattern of spend.

Other costs

45. The LGA's overheads, excluding additional pension costs, are £11.7m. This includes the net cost to the LGA of £6.8m for the Liberata contract. Detailed contract negotiations are now underway with Liberata to bring down the price of the contract. An initial annual price reduction in the region of £250k has recently been agreed in relation to volumetric changes under the pricing mechanism in the contract. The LGA has made clear to Liberata that it requires further significant reductions in its overhead costs given the reduction in size of its operations, and an independent benchmarking review is now underway to inform this negotiation. The LGA's overheads are currently the subject of a scrutiny review being carried out by the Audit and Scrutiny Panel, who in particular are overseeing the Liberata contract re-negotiation.

46. Additional rental income of £0.7m has been secured in 2012-13 for Layden House which was vacated by the LGA in May, and which is now being let in its entirety to external tenants.

47. The budgeted figures for additional pension contributions totalling £3.7m across the LGA and its related companies have been confirmed with the individual company boards. These additional contributions are necessary as a result of the 2010 actuarial revaluations. As the audited annual accounts of the various entities make clear, the pension schemes are all underfunded to varying degrees, and the resulting deficits have to be made good, normally over a 15 year period. The Audit and Scrutiny Panel has reviewed the management of this pension risk, as has the Resources Panel, which has considered the pension position in the light of the LGA's overall investment strategy. The LGA's strategy on reducing its pension deficit will be revisited by Resources Panel in 2012-13. Additional pension costs of £0.9m are also incurred in relation to past employees.

Conclusion

48. The proposed budget for 2012-13 continues the direction of travel of last year, by ensuring that the LGA's priorities are delivered within the available resources.
49. However, the financial strategy for the next three years shows the remaining challenges for the LGA as its core funding base from membership subscriptions and RSG top-slice continues to reduce.
50. Work needs to continue on focusing and refining the LGA's priorities and delivery, so that its added value is evident, and the core funding provided through subscriptions and RSG topslice continues to be supported by councils.
51. A rigorous programme of work also now needs to be undertaken to ensure that fixed overhead costs reduce in line with the overall reduction in core funding. The LGA needs to exploit new commercial opportunities, for example through the development of electronic services such as the Knowledge Hub.

LGA - THREE YEAR FINANCIAL PROJECTION

	2011/12 budget	2011/12 projected	2012/13	2013/14	2014/15	Assumptions
Member Subscriptions	11.6	11.6	10.6	10.5	10.5	20% reduction over 3 years from the 2010/11 baseline of £13.1M
Discount	-0.8	-0.8	-0.8	-0.8	-0.8	Provision of £250k made for councils coming out of membership - 12 currently on notice
Net Subs	10.8	10.8	9.8	9.7	9.7	
RSG	28.4	28.4	25.7	24.0	24.0	Contributions to other organisations reduce in line with RSG
Welsh RSG	0.5	0.4	0.3	0.3	0.3	
Ring-fenced funding	26.0	23.0	15.7	8.5	8.5	Value of ring-fenced programmes is expected to reduce
Income from direct services	4.0	3.4	2.2	2.2	2.2	Income from conferences and events and leadership programmes
Rental income	0.4	0.4	1.1	1.1	1.1	Layden House rented out from 2012/13 and full rent charged
Other income	0.1	0.2	0.7	0.3	0.3	Includes bank interest
Surplus arising from liquidation of ADC		0.5				
Geoplace dividend			0.2	1.2	1.5	Dividend from investment in GeoPlace Joint Venture with Ordnance Survey
Total Income	70.2	67.1	55.6	47.3	47.6	
Core Employee Costs	16.6	15.3	15.8	16.1	16.4	Based on current staffing structure - assumes 4% vacancy factor
Non-pay costs	12.6	10.5	9.8	9.6	9.6	Non-pay operational budget maintained at around £10m
Ring-fenced funding	24.7	21.5	14.2	7.0	7.0	Assumes £1.5m p.a. contribution to overheads each year
Liberata (net cost)	7.0	6.8	6.8	5.6	5.6	Assumes price reduction following contract re-negotiation
Other overheads	1.9	1.6	1.6	1.6	1.6	
Property Costs	2.8	2.8	2.8	2.8	2.8	
Pensions - past employees	0.9	0.9	0.9	0.9	0.9	
Pension Deficits Reduction Payments	3.7	3.7	3.7	3.7	3.7	
Transition Costs		2.6	0.0	0.0	0.0	
Total Costs	70.2	65.7	55.6	47.3	47.6	
Operating Surplus/(Deficit)	0.0	1.4	0.0	0.0	0.0	

LGA PROPOSED BUDGET: 2012-13

	Income	Pay	Operational Costs	Other Costs	Totals
RSG England	-25,700,000				-25,700,000
RSG Wales	-240,931				-240,931
Subscription Income	-10,550,000		800,000		-9,750,000
Property Income & Costs	-1,100,000			2,800,000	1,700,000
Policy and Development Programmes		4,775,279			4,775,279
Children and Young People			85,000		85,000
Community Wellbeing			185,000		185,000
Economy and Transport			55,000		55,000
Environment and Housing			120,000		120,000
Safer and Stronger			75,000		75,000
Culture Tourism and Sport			20,000		20,000
European and International	-40,000		40,000		0
Local Government Finance			30,000		30,000
Localism			290,000		290,000
Unallocated Operational Budgets			886,500		886,500
Core funded programmes	-40,000	4,775,279	1,786,500	0	6,521,779
Planning Advisory Service	-2,650,000	700,000	1,650,000		-300,000
Health & Wellbeing	-370,000	200,000	170,000		0
Sector Led Support - Children's	-8,000,000	550,000	7,280,000		-170,000
Adult Services Sector Led Improvement	-500,000	75,000	425,000		0
Other Ring-Fenced Programmes	-1,550,000	500,000	755,000		-295,000
Other programmes	-13,070,000	2,025,000	10,280,000	0	-765,000
Policy & Development Team	-13,110,000	6,800,279	12,066,500	0	5,756,779
Local Government Development		1,450,229	200,000		1,650,229
Peer Support		1,131,821	175,000		1,306,821
Leadership & Localism	-250,000	772,235	505,000		1,027,235
Research and Information		806,933	225,000		1,031,933
Centre for Public Scrutiny			190,000		190,000
NGDP	-260,000		290,000		30,000
Productivity		534,035	420,000		954,035
Unallocated Operational Budgets			1,832,100		1,832,100
Core funded programmes	-510,000	4,695,253	3,837,100	0	8,022,353
Peer Challenge - Chargeable	-450,000	200,000	100,000		-150,000
Customer Led Transformation	-200,000	75,000	85,000		-40,000
POP Group	-90,000		90,000		0
ESD Toolkit	-450,000	85,000	365,000		0
Other programmes	-1,190,000	360,000	640,000	0	-190,000
Leadership & Productivity	-1,700,000	5,055,253	4,477,100	0	7,832,353
Negotiations	-130,000	727,820	165,000		762,820
Workforce Policy and Strategy		466,296	75,000		541,296
Unallocated Operational Budgets			236,400		236,400
Core funded programmes	-130,000	1,194,116	476,400	0	1,540,516
Police Negotiations	-268,700	120,000	43,700		-105,000
Pensions	-700,000	360,000	200,000		-140,000
On Site Support	-500,000	135,000	65,000		-300,000
Other programmes	-1,468,700	615,000	308,700	0	-545,000
Workforce	-1,598,700	1,809,116	785,100	0	995,516
Policy & Delivery	-16,408,700	13,664,648	17,328,700	0	14,584,648

	Income	Pay	Operational Costs	Other Costs	Totals
Strategic Management Board		861,252	50,000	0	911,252
Member Services		311,725	1,000,000	0	1,311,725
Conservative		232,747	95,340		328,087
Independent		99,381	14,700		114,081
Labour		246,176	66,360		312,536
Liberal Democrat		220,245	33,600		253,845
Political Group Offices	0	798,549	210,000	0	1,008,549
Executive Business	0	500,274	40,000	0	540,274
Organisational Governance	0	2,471,800	1,300,000	0	3,771,800
Conferences and Events	-1,300,000	508,626	1,000,000		208,626
Media		433,791	150,000		583,791
Public Affairs and Campaigns	-50,000	357,502	250,000		557,502
Digital Communications and Knowledge		848,854	1,000,000		1,848,854
Knowledge Hub	-200,000				-200,000
Strategy & Communications	-1,550,000	2,148,773	2,400,000	0	2,998,773
HR and OD		408,574		350,000	758,574
Legal Support		171,005		100,000	271,005
Business Support		605,585			605,585
Corporate Services	0	1,185,164	0	450,000	1,635,164
Liberata Shared Service	-400,000			6,797,000	6,397,000
Corporate	-500,000	-668,354	230,000	5,541,900	4,603,546
GRAND TOTALS	-56,449,631	18,802,031	22,058,700	15,588,900	0

KEY:

Ring-fenced programmes

Income, £15.7m; Costs £14.2m, of which £3m is Pay

Income from direct services

Income, £2.2m

Other overheads and pensions costs

Costs, £6.2m (pensions, £3.7m + Other overheads, £2.5m)

Appendix C

LG GROUP - DRAFT BUDGET 2012 - 13					
LGA					
Description	INCOME	PAY	NON-PAY	OVERHEADS	TOTALS
RSG England	-5,523,931				-5,523,931
Subscriptions	-10,550,000		800,000		-9,750,000
Political Support & Governance		2,296,404	1,300,000		3,596,404
Policy & Development		2,294,686			2,294,686
Leadership & Productivity		764,918			764,918
Strategy & Communications	-1,350,000	1,297,032	2,400,000		2,347,032
Workforce		94,754			94,754
Ring-fenced Programmes	-90,000		90,000		0
HR & OD		370,479		350,000	720,479
Legal Support		171,005		100,000	271,005
Business Support		206,907			206,907
Shared Services - Liberata	-400,000			2,096,000	1,696,000
Corporate	-500,000	-668,354	230,000	2,520,100	1,581,746
Property Companies	-1,100,000			2,800,000	1,700,000
Company Totals:	-19,513,931	6,827,831	4,820,000	7,866,100	0

Appendix C

LG GROUP - DRAFT BUDGET 2012 - 13					
LGID					
Description	INCOME	PAY	NON-PAY	OVERHEADS	TOTALS
RSG England	-17,394,814				-17,394,814
Political Support & Governance		175,396			175,396
Policy & Development	-40,000	2,261,450	900,000		3,121,450
Leadership & Productivity	-710,000	3,817,234	2,005,000		5,112,234
Strategy & Communications		730,204			730,204
Workforce		85,080			85,080
Ring-fenced Programmes	-14,170,000		13,215,000		-955,000
Business Support		335,200			335,200
Shared Services				3,664,000	3,664,000
Corporate Costs			2,955,000	2,171,250	5,126,250
Company Totals:	-32,314,814	7,404,564	19,075,000	5,835,250	0

Appendix C

LG GROUP - DRAFT BUDGET 2012 - 13

LGE

Description	INCOME	PAY	NON-PAY	OVERHEADS	TOTALS
RSG England	-1,706,029				-1,706,029
RSG Wales	-240,931				-240,931
Negotiations	-130,000	633,066	165,000		668,066
Workforce Policy and Strategy		381,216	75,000		456,216
Ring-fenced Programmes	-1,468,700		923,700		-545,000
Business Support		63,478			63,478
Shared Services				684,000	684,000
Corporate Costs				620,200	620,200
Company Totals:	-3,545,660	1,077,760	1,163,700	1,304,200	0

Appendix C

LG GROUP - DRAFT BUDGET 2012 - 13					
LGR					
Description	INCOME	PAY	NON-PAY	OVERHEADS	TOTALS
RSG England	-1,050,476				-1,050,476
Policy & Development		219,143			219,143
Leadership & Productivity		113,101			113,101
Strategy & Communications		121,537			121,537
HR & OD		38,095			38,095
Shared Services				353,000	353,000
Corporate Costs				205,600	205,600
Company Totals:	-1,050,476	491,876	0	558,600	0

Appendix C

LG GROUP - DRAFT BUDGET 2012 - 13					
LGL					
Description	INCOME	PAY	NON-PAY	OVERHEADS	TOTALS
RSG England	-24,750				-24,750
Corporate				24,750	24,750
Company Totals:	-24,750	0	0	24,750	0

The LGA's Membership Offer

Purpose of report

For discussion and direction.

Summary

1. The LGA currently has 422 member authorities, including English and Welsh councils, Fire & Rescue, National Park and Integrated Transport authorities and one town council. A report on the proposed membership scheme for Police and Crime Commissioners was considered by the Leadership Board in February and work to develop that offer is continuing.
2. Over the past year, the number of councils out of membership has reduced from seven to four, with indications from others that they are considering rejoining. Most recently Doncaster Council has notified us of their intention to rejoin from 1 April 2012. Of the 21 councils on notice to leave from April this year, 12 have withdrawn or rolled over their notice, with others indicating their intention to do the same.
3. In December the Leadership Board agreed the LGA membership subscriptions for 2012/13 and invoices will be circulated in April (all authorities have already received notice of their subscription level). It is usual practice for us to write formally to council leaders, group leaders and Chief Executives, outlining the LGA membership offer and highlighting benefits that they have received in the preceding year. Cover letters are personalised and signed by the appropriate Group Leader or by the Chief Executive.
4. Members are invited to review this year's draft membership offer (**Appendix A**) and highlight any changes or additions they would like to see.

Recommendation

That members consider the proposed LGA membership offer for 2012/13.

Action

Officers to make any amendments in line with members' steer.

Contact officer: Claire Holloway
Position: Head of Corporate Governance
Phone no: 020 7664 3156
E-mail: claire.holloway@local.gov.uk

LGA membership 2012



[Name] Council

Draft – V5

“Councils need a powerful, single voice if they are to influence national financial and policy decisions and continue to advocate for greater devolution from central to local government”.

What has the LGA ever done for [Name] Council?

The LGA was formed in 1997 to be the single voice of local government on the national stage. Over the past 15 years we have lobbied and campaigned on behalf of local authorities in England and Wales, both in Westminster and in Brussels.

Over the past couple of years, Local Government has and continues to face tough funding challenges. Against the backdrop of recession and reductions in public sector funding, we have persuaded Government to:

- Honour the **3-year funding settlement** and, although it increased the efficiency target for 2010-11, allow councils to keep the cash, equal to around £600m.
- Increase grants for **Housing and Council Tax Benefits**. **As a result, [Name] Council was awarded £[sum] in 2010/11, [sum] in 2011/12 and is likely to receive a similar sum in 2012/13**
- Reverse their plan to deduct the extra £10m in the 2011/12 formula grant to cover the transfer of **Concessionary Fares** from the 2012/13 settlement. **[Name] Council received £[sum]**
- Allocate for the second year running an additional £100 million towards the **damage to roads** caused by the exceptionally cold winter.
- Allocate £74 million for **fire control room improvements** **[Name] Council/FRA received £[sum]**
- Halt plans to give ministers power to force councils to pay **EU fines** levied against the Government for missing national targets on issues such as air quality. The move will save councils and taxpayers £1.3 million.
- Allow councils to set **licensing fees** locally so they can recover the full costs of administering the system. **[Name] Council received £[sum]**
- Maintain councils' lead role in dealing with **troubled families**.
- Keep **community budgets** on the agenda and to commit to a series of Whole Place pilots.
- Devolve £970 million **major schemes transport budget** to councils and local partners
- Raise the cap on **capitalisation** from £200m to £300m. Most councils who applied for capitalisation were granted the full value of their bid compared with around 40% of what they asked for in previous years. Councils can now borrow or use capital receipts to pay redundancy costs instead of meeting them from in-year revenue budgets.
- Amend legislation to allow councils to request **enhanced CRB checks** for drivers of taxis and private hire vehicles.
- Maintain councils' role in delivering **Universal Credit**.

Other big wins for local government:

- In October 2011, the LGA recouped £470 million of money belonging to 123 local authorities following the collapse of the **Icelandic Banks**. This kind of legal challenge could only have been undertaken at LGA level - an individual local authority would not have been able to maintain the fight. **[Name] Council has received £[sum] back from the failed Icelandic banks**
- The **General Power of Competence**, for which the LGA has long campaigned, is now law ahead of schedule following LGA representations in the wake of the Bideford judgement.

[awaiting CWB, CYP and Environment]

Property searches

In 2009, the Information Commissioner's Office directed councils to make property search information available free of charge under the Environmental Information Regulations. Following intensive LGA lobbying, Government recognised its liability for councils' loss of income and in April 2011 provided £11.2 million to the 326 registering authorities in England. **[Name] Council received £[sum] of this grant - £[sum] for income foregone in 2010/11 and £[sum] for refunds of past charges.**

All English councils now face legal proceedings over the refund of past property search charges. The LGA is coordinating a joint defence, which gives access to legal representation at a fraction of the cost to an individual authority. Member councils will have paid around £2000 each for legal representation and advice over 15 months, whilst one non-member council incurred costs of £30,000 in just 4 months.

We have kept claims from escalating to full-blown court proceedings and given councils time to resolve them as cost-effectively as possible. Our dedicated staff help progress disputes and handle day-to-day liaison with the legal team. We are helping councils assess their financial liabilities and have persuaded Government to revisit the issue once the scale is known. As Government is unlikely to agree a blanket deal for refunds, councils out of membership will have to make their own representations.

- Following our "Freedom to Lead" campaign, which proposed a radical reduction in **inspection and assessment** and increased accountability to local people, the Government announced the abolition of Comprehensive Area Assessment, Public Service Agreements, the Place Survey and the Audit Commission, and committed to further reduce the inspection burden
- Consistent LGA lobbying of the Audit Commission over several years to reduce audit fees is now bearing fruit. Councils have already had a substantial reduction in the proposed fees for 2012-13 and, following the recent re-procurement of audit services, fees in subsequent years could be up to 40% lower, saving local public bodies a total of £250 million.
- Following detailed negotiation we delivered **national pay freeze** for local government for the third successive year as requested by the vast majority of council
- We won the argument that the **Local Government Pension Scheme** is different and should be allowed to negotiate its own reform, largely separate from the mainstream talks on public sector pensions reform
- We developed and agreed HR transitional guidance with the trade unions to cover **public health staff** moving into local government.

LGA support and lobbying has secured over of £[sum]for [Name] Council, against an annual subscription of £[sum] in 2012/13

The LGA – the single voice of Local Government

Councils need a powerful, single voice if they are to influence national financial and policy decisions and continue to advocate for greater devolution from central to local government. One politically-led membership body gives local government the capacity to:

- Pick up emerging government thinking and ensure that local government views are heard in centre of government
- Think ahead to shape and develop the policies that the sector needs
- Work with national public, private, community and voluntary organisations, and secure their support for local authorities' priorities and their understanding of our perspectives
- Ensure that the right issues are raised with the right people at the right time, increasing their chance of resolution
- Speak with one voice to the public through the national media.
- Take responsibility for driving innovation and improvement across the local government sector.

Support for elected members

There are four political groups at the LGA – Conservative, Labour, Liberal Democrat and Independent. Each group has its own Executive that shapes the political agenda and manages relationships with its membership across the country, supported by a Group Office. The LGA groups

- work closely with, and where appropriate challenge, government, shadow teams and party administrations
- help shape the LGA's campaigns, policy, media & public affairs work.
- offer advice and guidance to individual councillors and to political groups in councils
- run briefings and events for elected members around the country, often with senior government figures.
- attend and run sessions for councilors at the Autumn and Spring party conferences
- maintain a watching brief over council performance and co-ordinate political involvement where necessary
- co-ordinate the LGA's peer support programme through the political lead peers
- co-ordinate appointments to the LGA's boards, panels and commissions and to a range of outside bodies.

www.conservativegroup.local.gov.uk

Tel: 020 7664 3264

www.labourgrouplocal.gov.uk

Tel: 020 7664 3263

www.libdemgroup.local.gov.uk

Tel: 020 7664 3235

www.independentgroup.local.gov.uk

Tel: 020 7664 3224

Arguing the case for local government

The LGA lobbies and campaigns for change in those areas that matter most to councils and their communities. We do this both in Westminster - regularly meeting formally and informally with ministers and senior government officials, seeking amendments to emerging legislation and making representation to Select Committees - and in Brussels.

The LGA is politically-led, politically active and cross-party and we seek to reach decisions by consensus wherever possible. Our annual business plan, agreed by the LGA Executive, sets out our top priorities for the year. This year we have identified 6 areas of particular importance to councils upon which we will campaign intensively. They are

Hidden Talents – targetting the 1 million young people not in education, training or employment.

Keep it REAL - responsive, efficient, accountable local services and independent local government

The future of adult social care – the reform and funding for adult social care and support.

Local economies, local growth – removing barriers and devolving new powers to support local growth

Housing the nation – increased powers and freedoms for councils to address the housing crisis

Sustainable funding – highlighting the financial pressures on local services.

The LGA General Assembly acts as the parliament for local government. It meets annually every summer before the Annual Conference, and every local authority in membership is allocated a number of voting places. Members can also get involved in the work of the LGA through

- Appointment to any of the LGA's Boards, Panels, or commissions, which together cover every area of local government activity
- Invitation to join a task and finish or advisory group tackling a particular subject or issue
- Membership of any of the Urban or Rural Commissions – for councils with an interest in urban or rural affairs
- Membership of one of our twenty or more Special Interest Groups – groups of authorities with a shared interest or characteristics that cover topics.

Media and communications

The LGA's national media office for local government is on call 24 hours a day, 365 days a year. It promotes positive stories in the press and rebuts the negative, highlighting good practice in member councils and offering advice and support to member councils on national media relations, including in times of crisis.

Local authority members and officers have access to up-to-the-minute news and information through the LGA website – www.local.gov.uk. Its member-only sections contain downloadable publications, briefings and legislative updates on local government bills and an EU funding tracker. The LGA's webcast microsite broadcasts speeches, ministerial addresses, highlights of events and key announcements. The LGA's fortnightly publication *first* and *firstonline* keeps councils up to date with the latest developments in local government and public policy.

Improvement and development

Alongside the reduction in external inspection, local government has taken responsibility for managing its own performance and improvement. The current financial challenges facing every local authority means that finding new and innovative ways to increase efficiency and reduce costs is more important than ever.

Membership of the LGA includes

- One free corporate peer challenge every three years and discounts of 33% on other peer and improvement support activities, including one to one mentoring for council leaders.
- Free, or discounts of 33%, on a range of leadership programmes including
 - Next Generation** prestigious political leadership programme for ambitious councillors
 - Leadership Academy** where leaders and those in leadership positions can learn the latest in political leadership (ILM accredited)
 - Leeds Castle** intensive residential programme for leaders and chief executives
 - Change of control** peer support for new leaders and cabinet members
 - Opposition to power** political weekend support programmes for opposition leaders
 - Councillor induction** where new councillors can learn more about local government, its challenges and their role as a councillor
 - 21st Century Councillor** materials and approaches to support local councillors in their community leadership role
 - National Graduate Development programme** designed to attract and recruit high calibre graduates into local government
- Support from the LGA Productivity programme, which helps councils increase their productivity to get the very best value for money and outcomes for local communities.
- Access to the LGA Knowledge Hub, which uses the latest technology and social networking models to enable individuals with a shared interest or particular expertise to connect with one another and share learning, experiences and ideas.
- Access to Local Government Inform - a free online service that allows anyone in a local authority to access, compare and analyse data, and to present their findings.
- The LGA's events programme offers 80 free or subsidised events a year ranging from small seminars to large residential conferences. Member authorities currently receive 40% discount on one-day events and 23% on residentials, including the LGA Annual Conference – the flagship event for the sector that attracts well over 1500 delegates each year.

Practical support

Councils in membership also receive

- Support from a named principal adviser in the region, who can act as a first point of contact.
- Support from specialist advisers across a range of local government policy areas.
- On certain complex issues, access to legal advice and opinions commissioned by the LGA – for example on Icelandic investments and the ongoing legal battle on property searches. Legal opinions can cost individual councils tens of thousands of pounds.
- Free access to advice on issues relating to pay, pensions and employment. The LGA also leads the employers side on negotiating bodies for pay and pensions
- Discounts on Microsoft and Adobe software licences available to LGA member councils and their schools through participating resellers.
- Free use of
 - Members' Business Centre
 - Open Council coffee lounge and members' Terrace Lounge
 - Bookable meeting rooms - from quiet rooms for 2-3 people to the Westminster Suite which can seat up to 100 people (A charge is made for any refreshments).
- The LGA is currently negotiating with a number of energy providers, to give member councils access to discounted gas/electricity for their area at up to 25% discounts. The first set of arrangements will come into effect from 1 April 2012.

Value for money

The LGA is committed to offering the best value for money for its member councils. Over the past 5 years, we have reduced subscription income by 35% and are committed to a further 20% reduction by 2013. In the past year, whilst absorbing a 38% reduction in central government funding, we have

- amalgamated the five organisations that made up the former LG Group into one integrated LGA,
- reduced our core staff by 40% and senior managers by [TBC]%.
• more than halved our dedicated business support team
- reduced the cost of our external support contract by 3%, with negotiations ongoing to achieve further reductions
- moved all staff into one building, freeing up Layden House in Farringdon for commercial rent and eventual sale. We now generate around £1 million in income from the building.
- restructured the conferences and events function saving £350,000.

[Name] Council's subscription for 2012/13 is £¹[sum] – a reduction of [X]% since 2009.

¹ This includes an early payment discount of 2.5%.



Contact the Local Government Association

Telephone: 020 7664 3000

Email: info@lga.gov.uk

Website: www.local.gov.uk

© Local Government Association, October 2011

For a copy in Braille, larger print or audio, please contact us on 020 7664 3000.
We consider all requests on an individual basis.

Note of decisions taken and actions required

Title:	LGA Executive
Date and time:	Thursday 9 February 2012, 2.30pm
Venue:	The Westminster Suite, Local Government House

Attendance

An Attendance list is attached as **Appendix A** to this note.

Item	Decisions and actions	Action by
-------------	------------------------------	------------------

Members thanked Cllr Chris White, who will be standing down as chair of the Culture, Tourism and Sport Board on [date] for all his work.

1 Safer and Stronger Communities

Cllr Mehboob Khan, Chair of the Safer and Stronger Communities Board introduced this item, which covered the Board's broad remit.

Crime and fear of crime are consistently a top concern of local residents and it was noted that some forms of acquisitive crime had increased. The Board was working with Government on measures to prevent metal theft and on ways to increase community resilience. Members are also working with Community Safety Partnerships (CSPs) and Fire and Rescue Authorities on sector-led improvement.

Cllr Khan set out the work of the Board in preparing for the introduction of Police and Crime Commissioners and the change from police authorities to Police and Crime Panels. The Board had developed a membership offer for Police and Crime Commissioners (PCCs) to join the LGA, set out in a draft prospectus that was tabled.

Members asked about the preparations councils had been making for the Policing and Crime Panels. Helen Murray, Head of Programmes for Community Safety, answered that there was a lot of local variation but that most councils were prepared for their introduction. Members observed that this was a key reputational issue for local government and it was important that the Panels reflected the political representation of an area as well as the different local government tiers. Members felt it was important that the Panels were able to scrutinise effectively the

work of the PCC. Cllr Khan said that the Panels could have up to 20 members, with an expectation that this would include all the councils in the area covered by the PCC.

Some members raised concerns about the removal of ring fenced funding for Police Community Support Officers (PCSOs), and emphasised their importance in preventative policing. Cllr Khan said that since the end of ring fencing there had been a drop in PCSO figures and the Board was working on this issue.

Decision

Members endorsed the LGA's membership offer for Police and Crime Commissioners.

Action

Officers to proceed in line with members' comments.

2 Regional Report – London Councils – Mayor Jules Pipe

Mayor Jules Pipe outlined the main priorities for London Councils - crime and community safety, housing and welfare reform and resources and fair funding. London Councils were keen to work more closely with LGA to help secure national action on issues such as metal theft and CCTV.

Decision

Members noted the report.

Action

Officers to ensure continued close and joint working with regional representatives on issues of shared priority.

Heads of Programmes

3 Local Government Finance

Stephen Jones, Director of Finance and Resources, introduced this item to the Executive saying that the 2012/13 finance settlement numbers had now been approved by Parliament. It was noted that the LGA had gained several notable successes for local government, including having funding for the 2011-12 council tax freeze consolidated into the figures for the finance settlement. Some of the LGA's proposals on the relocalisation of business rates had also been adopted.

Members agreed that the welfare system was in need of reform and that local government was the right part of the public sector to lead on this.

However, members raised concerns about the current timescale for welfare reform and the potential risks that this posed to communities and to local government. Members were particularly concerned about the complexity of the system, the level of preparedness of councils, the change in delivery methods and the indication from software providers that they would not be able to deliver the new system within the timeframe set.

Stephen said that the Government had provided a default option on welfare reform that was along similar lines to the current system. He also said that officers would pursue further information on the development of software solutions.

Some members raised the issue of large scale infrastructure projects in small council areas and the potential negative effects that these projects could have on the wider local economy and therefore business rates.

Decision

Members agreed:

1. *To share their evidence on the impact of the welfare reforms with the LGA.*

Action

Officers to pursue further information on the software for delivering the new system.

**Stephen
Jones**

Officers to use Appendix A of the Welfare Reform Report from the Leadership Board to create a briefing for councils.

4 Academies Top-Slice and Capital

Cllr David Simmonds, Chair of the Children and Young People Board introduced this item telling the Executive that the Department for Education (DfE) is not now proposing to increase top-slice for either 2011-12 or for 2012-13 and that DfE and the LGA were now working together to create an operational formula.

Decision

Members noted the report.

Action

No further action needed.

5 Making the case for adult social care reform

Cllr David Rogers OBE set out the main elements of reform - ensuring fairer funding arrangements for individuals meeting the cost of their care and support needs; a simpler legal framework for social care and support to make the system easier to understand and navigate; making the right links with health and public health to improve services for individual; and efficiency for the taxpayer and adequate resource for the system, with recognition that funding and reform go hand in hand.

In the run up to the White paper expected in the Spring, the Community Wellbeing Board had agreed five main activities under the LGA's campaign for a reformed and properly funded adult social care system. These activities were:

- creating a 'spotter's guide' to the White Paper;
- understanding the current financial situation as well as the projected future costs;
- emphasising that the cost of reform is cost worth paying;
- highlight the economic case for reform;
- raising awareness amongst the public.

Members highlighted that this was a significant issue across all local authorities and raised the importance of integrated working with the NHS on these issues. Members welcomed the proposals and the strategy for reform.

Decision

Members:

1. *confirmed the proposals for the LGA's campaign work on adult social care reform and funding.*
2. *agreed the importance of this issue for councils.*

Action

Officers to proceed in line with members' comments.

6. Note of the LGA Leadership Board

Members **agreed** the note of the last LGA Leadership Board meeting held on 8 February 2012.

7. Note of last LGA Executive

Members **agreed** the note of the last LGA Executive meeting held on 12 January 2012.

Attendance list

Position/ Role	Councillor	Authority
Chairman	Sir Merrick Cockell	RB Kensington & Chelsea
Vice-chairman	David Sparks OBE	Dudley MBC
Vice-chairman	Marianne Overton	Lincolnshire CC
Vice-chairman	Gary Porter	South Holland DC
Deputy-chairman	Andrew Lewer	Derbyshire CC
Deputy-chairman	Robert Gordon DL	Hertfordshire CC
Deputy-chairman	Sharon Taylor	Stevenage BC
Deputy-chairman	Mayor Dorothy Thornhill MBE	Watford BC

Position/ Role	Councillor	Authority
Members	Paul Bettison	Bracknell Forest Council
	Ian Greenwood	Bradford MDC
	Dave Wilcox OBE	Derbyshire CC
	Angus Campbell	Dorset CC
	David Rogers OBE	East Sussex CC
	Peter Martin	Essex CC
	Stephen Castle	Essex CC
	Mayor Jules Pipe	Hackney LB
	Roger Phillips	Herefordshire CC
	Chris White	Hertfordshire CC
	David Simmonds	Hillingdon LB
	Mehboob Khan	Kirklees Council
	Robert Light	Kirklees Council
	Mayor Sir Steve Bullock	Lewisham LB
	Sir Richard Leese CBE	Manchester City
	Peter Fleming	Sevenoaks DC
	Jill Shortland OBE	Somerset CC
Paul Watson	Sunderland City	
Peter Box CBE	Wakefield Council	
Robert Dutton OBE	Wrexham County Borough	

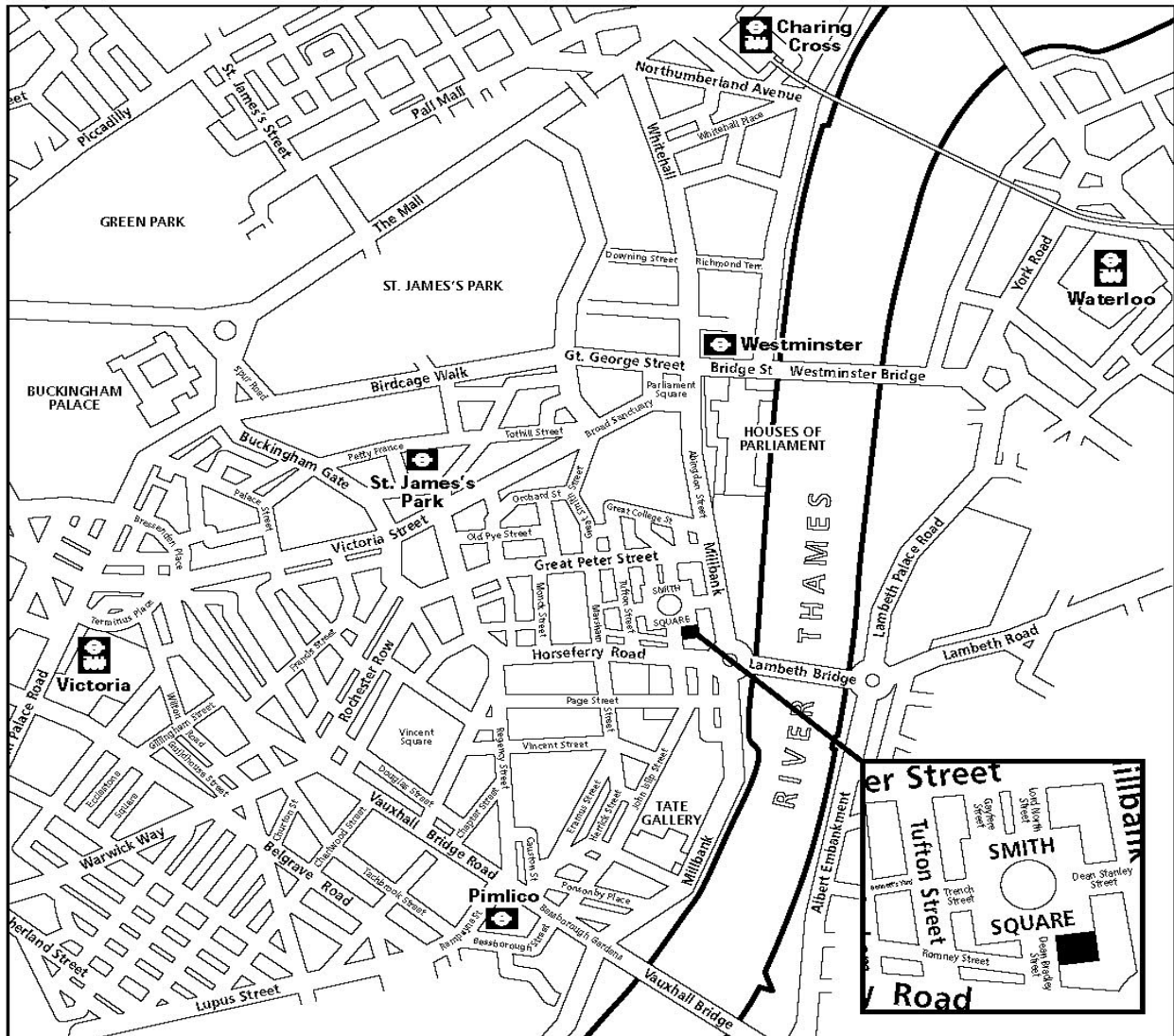
Position/ Role	Councillor	Authority
Substitutes	Paul Watkins	Dover DC
	Richard Williams	Southampton City

Apologies	Councillor	Authority
	Stephen Houghton CBE	Barnsley MBC

Paul Carter
Steve Reed
David Parsons CBE
Lord Peter Smith
Martin Hill OBE
Edward Lord OBE JP
Gerald Vernon-Jackson
Neil Clarke

Kent CC
Lambeth LB
Leicestershire CC
LG Leadership
Lincolnshire CC
Local Partnerships
Portsmouth City
Rushcliffe BC

LGA Location Map



Local Government Association

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

Public transport

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

Victoria

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

Bus routes - Millbank

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

Bus routes - Horseferry Road

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

Cycling Facilities

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

Central London Congestion Charging Zone

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

Car Parks

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