

## Appendix A

# RSG report

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## 1. Summary

This report sets out, in Part 1, the outcomes from RSG expenditure for the last financial year up to March 2012; and Part 2 sets out the scheduled programmes and activities which we hope to support during the current financial year to March 2013. The total expenditure figures in Parts 1 and 2 are net of irrecoverable VAT and administration. The table below sets out this relationship.

	2011/12	2012/13
	£000	£000
Gross allocation	2,500	2,100
Irrecoverable VAT and admin	200	150
Net allocation detailed in Parts 1 and 2	2,300	1,950

Part 1 highlights the activity objectives and the councils and organisations with whom Local Partnerships (LP) worked last year. The annual expenditure for each of the programmes is displayed, illustrating the use of the full year allocation of £2.3m.

For 2012/13, we have budgeted our RSG allocation across the business themes as previously set out to the LGA Board in our business plan. This is shown in the table below. We have retained some flexibility to respond to any changing needs and priorities of the local authorities and the LGA within these themes, but the objectives for those programmes currently identified are set out further in Part 2.

Business Theme	RSG Allocation £000
Economy and Efficiency	675
Infrastructure	200
Energy	575
Funding and Investment	300
Assurance and Compliance	200
Total	1,950

## 2. Background

LP invests its RSG in business activity which:

- is used to provide services that are predominantly free at the point of use to local government in England;
- is for services or outcomes which can benefit all local authorities;
- aligns with the LGA's priorities (as per the LGA business plan);

- assists the delivery of novel or cutting edge initiatives or programmes which have the potential to add significant value to local government, and where in partnership or collaboration, to the wider local public or third sector community;
- LP has the appropriate skills and capability to deliver; and,
- is consistent with LPs wider business activity.

# Part 1: RSG 2011-12 overview

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## 1. RSG spend summary

RSG expenditure was in line with the net budget with the £2.3m fully allocated. Some of the main projects and deliverables are listed below by activity. An indication of the expenditure for each programme is also shown. RSG funded activity saw over 40 councils being directly involved in pilot projects, alongside clusters of LAs (West Midlands, GLA, East of England) receiving benefit through vehicles such as the waste joint working network, and the West Midlands and East England Property Alliances or the Mutuals Information Service (over 300 LAs received telephone support through this service over an 8 month period).

## 2. National Muni-bonds

**£100k**

### Focus of development

- Worked with the LGA to successfully deliver an outline business case exploring the viability of a sector based approach to raising funding on the capital markets, including scoping the TOR and managing the procurement of external specialist advisers needed to assess the feasibility of a LA collective agency and the design of same.

### Organisations involved in the development:

LGA, CIPFA and all LAs were consulted on the initial concept.

## 3. Energy Efficiency

**£120k**

### Focus of development

- To produce case studies on energy efficiency projects as part of a development of the tools and know-how required to assess, plan and implement local carbon reduction strategies (includes options analysis, business case development, procurement, project implementation and closure) either through individual projects, or programmes e.g. through ESCOs for wider dissemination.
- To roll out an EPC contracting framework nationally providing support to LAs implementing this as part of energy efficiency programme.
- Chaired workshops with 18 LAs on the development of a low emission zone project plans. This was to inform the development of a low emission zone national programme to comply with Air Quality Directive.

### Organisations involved in the development:

Oxford City, Bristol City, Durham CC, Birmingham, Leeds, Newcastle, Leicester, Bradford, Aylesbury Vale, Horsham, GLA, Waverley, Reading

## 4. Waste

**£400k**

### Focus of development

- In the year to date LP have successfully run 12 networking events covering the procurement and operational aspects of major waste infrastructure to support learning and best practice for Local Authorities procuring major residual waste infrastructure facilities, both PFI and PPP projects.
- We have produced and publicised a series of case studies demonstrating best practice and have provided hands on support to 4 major joint working waste initiatives to support waste joint working initiatives promoting efficiencies across LA areas. This also includes working in Partnership with the London Waste and Recycling Board and West Midland Waste Alliance to provide detailed hands-on support in identifying savings for Local Authorities in the areas of London and the West Midlands. An indication of the total level of savings that are looking to be achieved is around 12%-15% the Local Authorities waste budgets.

#### Organisations involved in the development:

All LAs in the West Midlands, all LAs in London, Oxford. Sunderland, South Tyneside, Gateshead

### 5. Local Infrastructure

**£50k**

#### Focus of development

- Reviewed and identified potential efficiencies in the range of 10% to 16% to be secured through highways and street lighting procurement and contract management in order that other authorities could do the same.

#### Organisations involved in the development:

Durham, Hounslow, Portsmouth, Newcastle and North Tyneside

### 6. New Models of Service Delivery

**£400k**

#### Focus of development

- Delivered sessions on new models of delivery to over 150 town planners and to individual Local Authority Management Teams.
- Secured 6 pilot Local Authority Planning departments to undertake a options appraisal review.

#### Organisations involved in the development:

Suffolk, Surrey, Knowsley, Southwark, Bromley, Ealing, Cleveland Fire, NW Fire network, LGA fire service college team, Planning Advisory service, Taunton, South West Audit Partnership, Cheshire West and Cheshire, Rochdale and Oldham

### 7. Collaborative Asset Management

**£400k**

#### Focus of development

- With LGA, we rolled out the capital and asset pathfinder approach to collaborative asset management for 15 new authorities.
- Worked with Improvement and Efficiency West Midlands to deliver £32m revenue and £70m capital savings over a 3 year period through collaborative asset management.

#### Organisations involved in the development:

DCLG, LGA, HCA, Bournemouth, Derby, all local authorities in Devon, all local authorities in East Sussex, Islington, all local authorities in Kent, Milton Keynes, Newcastle, Northamptonshire, Northumberland, Sheffield, Shropshire, all local authorities in Somerset, all local authorities in Surrey, all local authorities in Warwickshire, all local authorities in West Sussex, Wiltshire, West Midlands RIEP, all local authorities in West Midlands, Improvement East, all local authorities in Essex

### 8. Collaborating for Outcomes

**£150k**

#### Focus of development

- Identified potential approaches to and options for the development of effective enabling foundations for emerging Health and Wellbeing Boards and including high level 'route maps' describing key activities, outputs and outcomes.
- Supported development of Health and Wellbeing Boards in Cambridgeshire, Suffolk and North Lincolnshire and including facilitation of dialogue and ideas testing with key partners to secure agreement on establishing principles for their shadow Health and Wellbeing Board in order to share learning more widely.
- Brought together LAs, NHS and the Third Sector to promote new ways of collaboration to support strategic commissioning.

#### Organisations involved in the development:

Cambridgeshire, Suffolk, North Lincs, Doncaster. Two regional network events attended by over 40 LAs.

## **9. Securing efficiency through contract management** £200k

### **Focus of development**

- We have initiated work to support LAs to get better value from their PFI projects through the development of tools and know-how in partnership with pilot LAs. This will allow us to roll out the learning to contribute towards government's aspirations from PFI. The support includes undertaking a detailed review (involving the LA and the private sector partners) to identify the potential savings that can be achieved on their existing PFI contracts.

### **Organisations involved in the development:**

Newcastle, Sussex Police, Portsmouth and Sheffield

## **10. Assurance of Major Projects** £300k

### **Focus of development**

- A new Integrated Assurance review has been developed in collaboration with HM Treasury. Undertake training events and workshops for nominated individuals within the public sector. A further 135 have been trained in 2011-12 and a further 1200 contacted to ensure their details are up to date.
- An Internal Assurance toolkit for LAs use on infrastructure and change programmes has been piloted in two LAs and will now be disseminated across the wider local public sector in 2012-13. These will ensure Local Government has available to it best practice assurance techniques.

### **Organisations involved in the development:**

Numerous LAs and other public bodies such as Fire Authorities and Police (capability development). Bristol and Cumbria have worked with LP to develop the Assurance Toolkit.

## **11. Compliance** £200k

### **Focus of development**

- Updated model guidance and templates to use by LAs during major infrastructure procurement. Outputs in addition to updating of model form contracts include at least two pieces of high profile guidance for all local government to help them review and streamline procurement.
- Other guidance in development is the update to LGA's charging and trading guidance 'enterprising councils'. This should be finished by the end of the financial year and updates their existing guidance in the light of the changes made by the Localism Act and other developments
- The model form contracts have been updated to comply with changes in law, departmental requirements and IUK/HMT changes to SoPC 4.

### **Organisations involved in the development:**

All LAs, LGA

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# Part 2: RSG 2012-13 overview

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## 1. RSG summary objectives

Our deployment of RSG against the LGA's priorities is mapped below, recognising that generally income, economic growth and the consequent enhanced Council tax and business rate collection are high priorities for local authorities.

In agreeing our overall programme we sought other stakeholder's views including the executive teams of the political parties at the LGA and SOLACE.

In addition to the programmes above our approach in 2012-13 is to allocate a set Business Development budget to potential programmes and themes with clearly defined milestones and success criteria. In some cases this may mean the activity is stopped, in others it may mean it is promoted to programme or assignment status during the year.

The purpose of this approach is to:

- a) avoid dilution of our resources, and
- b) act quickly to cease any activity where it is proving difficult to achieve traction.

The main programmes and deliverables are listed below by business theme. These represent LP's activities as at the start of the year, but the flexibility retained as described above allows us to respond to changing needs and priorities of the local authorities and the LGA, within these themes. The round sum numbers below are net of irrecoverable VAT and admin and therefore do not aggregate to £2.1m.

## 2. Economy and Efficiency

**£675k**

### 2.1. Operational Projects

#### Overall objectives

To support Local Authorities in reviewing the services they have procured under PFI and secure a saving for those Authorities. To provide guidance for other Local Authorities in relation to securing savings from PFI Contracts and to help Treasury deliver its own target of over £1.5bn from all signed PFI contracts.

### 2.2. Joint Working in Waste

#### Overall objectives

To deliver efficiencies in LA waste budgets through partnership working. To deliver better VfM services to the public and to introduce new services (where authorities can only do this by working together to create the critical mass to make a service viable.) Case studies will share learning and experience to other LAs.

### 2.3. Waste AD and Weekly Collection

#### Overall objectives

To support DCLG as part of the programme architecture. This would include delivering the project support aspects (to the LAs bidding for funds) and providing the Commercial and Technical support to DCLG. An indicative proposal has been presented to DCLG outlining the potential role of LP. As at 12.02.2012 this is still under consideration from DCLG. In addition the LGA are starting to formulate their response to the fund and how they can advise/support Local Authorities.

### 2.4. Improved Public Services

## Overall objectives

To support local public bodies to consider how the commissioning and delivery of public services will ensure high quality and cost effective services to their local population within current and future resource restraints. Identify new ways that commissioners of public services can exert maximum leverage to ensure improved outcomes and value and greater service integration and stimulate the development of collaborative partnerships between the public, private and third sectors for the purpose of developing a vibrant and dynamic mixed economy of public service supply.

### **2.5. Collaborative Asset Management**

#### Overall objectives

Work with LAs helping them to progress the most efficient releasing of value from surplus assets and thereby accelerate the process, based on the Capital Asset Programme and jointly with LGA.

### **2.6. Asset and Housing Investment Models**

#### Overall objectives

To develop (i) ways local authorities can plan intervention in their local housing markets to match the supply of housing to local needs for growth and (ii) a number of investment models applicable to different circumstances with DCLG and Treasury approval and to ensure these models are replicable and available across the market.

## **3. Infrastructure**

**£200k**

### **3.1. Urban Broadband**

#### Overall objectives

Working in collaboration with DCMS and drawing on LP's experience supporting delivery of the rural broadband programme, put in place a delivery support platform for major urban areas receiving funding from the £100m urban broadband fund.

## **4. Energy**

**£575k**

### **4.1. Waste Infrastructure Network Groups**

#### Overall objectives

To coordinate network groups within the waste sector where this would facilitate the capture and dissemination of innovation and learning.

### **4.2. Air Quality**

#### Overall objectives

LP is seeking to assist LAs put together project plans and business cases in response to Defra seeking to meet EU limit values on air quality directive (NO<sub>2</sub> and particulate matter) where there is a high infraction risk of failing to meet the standards in time. A key means of encouraging this is through the creation of low emission zones (LEZs), limiting the kinds of vehicles which could travel in the zones.

### **4.3. Energy Efficiency**

#### **Overall objectives**

To explore the benefits for LAs from rolling out a centrally supported programme for energy efficient projects. The programme is designed to reduce complexity and duplication and improve Local Authority capability. It uses multiple funding options including a self financing programme based on Energy Performance Contracting, and more generally to support carbon reduction targets.

## **5. Funding and Investment**

**£300k**

### **5.1. Local Government Collection Agency**

#### **Overall objectives**

To take the LGCA concept post Outline Business Case and secure buy-in from LAs and possibly pension funds.

### **5.2. Co-invest Fund**

#### **Overall objectives**

Establish a co-investment fund bringing various types of funders (grant makers, commercial funders and which could include LAs) together to offer relevant financial products to support spin out social enterprises where the LAs want them spun out, which could have a focus on improving life outcomes for disadvantaged young people. We are actively working with Big Society Capital, Deutsche, SIB, ClearlySo and others.

## **6. Assurance and Compliance**

**£200k**

### **6.1. Gateway and Major Projects Authority**

#### **Overall objectives**

To assist local authorities deliver projects and programmes (investment and change) and to develop capacity and capability at a local level through training, skills development and genuine knowledge transfer.

### **6.2. Model contracts and guidance, including derogations**

#### **Overall objectives**

All updating necessary to take in changes to legislation, policy and process relating to model form contracts and documentation for Housing, Fire and Social care including workforce guidance and drafting (applicable across sectors and for projects other than PFI), change protocol drafting and any relevant SoPC4 updating work; and to review processes for identifying permitted derogations across sectors and within programmes of schemes (e.g HCA 10 schemes); We are investigating and introducing new processes aimed at making efficiencies for central government departments to keep track of derogations for consistency purposes, market positions and for management of operational projects.

### **6.3. LGA Procurement**

#### **Overall objectives**

To work with the LGA on initiatives to improve procurement in local government.

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