

Chief Executive's Monthly Report – January 2012

Purpose of report

For discussion and direction

Summary

The LGA business plan 2011/12 centres on two top priorities –

- Achieving greater devolution for local government and
- Helping councils tackle their challenges.

This report sets out the key achievements over the past month of each of the nine programme boards and of the Executive whose remit includes local government finance and localism. It also sets out our performance against key corporate indicators, including membership and budget.

Recommendation

The Leadership Board is asked to receive the Chief Executive's report for January 2012.

Action

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Part 1 - Achievements against our business plan priorities

Children and young people

Helping councils tackle their challenges

- Following an LGA-led consultation with councils over the summer on the use of additional DfE funding to the Children's Improvement Board (CIB), a further programme of **sector-led youth service improvement** was announced to coincide with the government's 'Positive for Youth' statement on 19 December. It includes funding for four Youth Innovation Zones - Devon, Hammersmith and Fulham, Haringey and Knowsley.
- Following LGA lobbying, government announced there will be no change in the amount to be removed from formula grant to pay for central education functions for **academies** (£148m in 2011-12 and £265m in 2012-13). This is a considerable improvement on the previous consultation which proposed an increase of hundreds of millions of pounds but still overstates the amount that should be deducted from councils. The LGA will continue to fight for a fairer method of academy funding.
- The Children's Improvement Board (CIB) secured agreement from all 9 regions to participate in the local delivery of **sector-led improvement for children's services**. Councils will be able to access devolved CIB funding from January onwards.

Community Wellbeing

Achieving greater devolution for local government

- Held first of three roundtables with parliamentarians on **social care reform** and funding ahead of the Spring White Paper. Good alliances made with Liberal Democrat MPs with request for further meetings in the New Year. Labour and Conservative sessions booked for January and February.
- Secured commitment from Public Health Minister, Anne Milton to work with LGA finance advisers to obtain an accurate estimate of the current **costs of public health**. The Minister also gave a commitment that Public Health Grant allocations should be based on the level of public health needs, deprivation and inequalities rather than on historic PCT spend.
- Secured commitment from Public Health Minister, Anne Milton to work with LGA advisers prior to the public consultation on the **death certification process** to ensure a comprehensive impact assessment on the potential financial and reputational costs to local government.

Helping Councils tackle their challenges

- Met Equality and Human Rights Commission ahead of their publication on **home care** to give local government's perspective to the report's recommendations, and secured a better balanced reporting of the issues.
- Secured national coverage of the LGA's rebuttal of the story that councils are unreasonably or unfairly restricting **eligibility to care services**. David Rogers, Chairman of the Community Well Being Programme Board, quoted on the need for reform, more funding and the extremely difficult resource situation councils are facing.

Economy and transport

Achieving greater devolution for local government

- Launched the **Local Growth Campaign** to promote role of councils in driving economic prosperity in conjunction with the British Chamber of Commerce who called for business/councils to work together to localise skills agenda.
- Successfully lobbied DfT to run real-time localism programme to develop agenda for the **devolution of transport delivery**. Programme will begin in February with joint seminar of LGA members and DfT ministers
- LGA dominated press coverage of the launch of the Portas **high-street review**, highlighting the importance of councils in managing high streets.

Environment and housing

Achieving greater devolution for local government

- Based on our evidence the CLG Select Committee will endorse many of the LGA's proposals for the National Planning Policy Framework. In particular they recommend that appropriate transition arrangements should be put in place and that the definition of sustainable development should be balanced.
- Following LGA lobbying, the **green deal** consultation acknowledged a strong role for councils to ensure successful delivery and we are now lobbying for full access for councils to the range of financial support tools and incentives. Green Deal conference on 29 November was fully booked.
- The Local Housing Delivery Steering Group (LHDG) co-created created by the LGA and Home Builders Federation (HBF) has been widely-cited as the preferred successor model to regular government-produced **planning and housing policy guidance**.

Helping Councils tackle their challenges

- Initiated successful campaign on betting shops, building on Councillor Parsons' oral evidence at the CMS Select Committee, with widespread media coverage and recognition of the problems in the Portas review on high streets.
- Secured funding for and re-launched the Gypsy and Traveller National Awareness Training Programme for local authorities
- LGA have influenced Defra's approach to the Judicial Review brought by a group of recycling companies. Defra agreed to pursue an adjournment to allow an amendment to the **waste collection regulations** to be agreed between the parties. This avoided the regulations being watered down – a move that would have disadvantaged councils that carry out co-mingled collection.
- Following discussions with the LGA, government have allocated £20 million to enable councils to **improve energy efficiency** and reduce fuel bills for those most vulnerable to cold weather

Safer and Stronger Communities

Achieving greater devolution for local government

- Ongoing support to councils preparing for transition to **Police and Crime Commissioners** (PCCs) has included visits to councils, publications on *Setting up Police and Crime Panels* and *Implications for Community Safety Partnerships* and participation in Association of Police Authorities seminar on Transition to PCCs
- Government has responded to the LGA's calls for reforms to the **Scrap Metal Dealers Act** 1964 to strengthen councils' ability to regulate scrap metal dealers. The issue has attracted considerable media attention over the past month.
- Significant progress in shaping and redefining the national-local relationship between central Government and **Fire and Rescue Authorities** in the context of a new National Framework. The revised document sets out expectations but contains much less prescription on the approach. In particular we influenced the prescriptive rules on scrutiny to focus on outcomes and reflect existing good practice in the sector.

Helping Councils tackle their challenges

- Home Office **Ending Gang and Youth Violence** Team adopted the LGA's peer review methodology and agreed a more supportive approach in the 22 target areas. The LGA will assist with accrediting the practitioners supporting the Home Office team.
- Agreement reached between LGA and Chief Fire Officers Association on a strengthened programme of **peer challenge for fire authorities**. The offer includes Key Areas for Assessment, corporate health and leadership, member and officer peer training and a quality assurance framework.

Culture tourism and sport

Achieving greater devolution for local government

- Successfully lobbied the London 2012 Organising Committee (LOCOG) to give more councils the opportunity to stage flame festivals leading up to the **2012 Paralympic Games**. Instead of one flame festival per English region LOCOG has now agreed to support as many councils as possible, to raise awareness and promote participation.

Helping Councils tackle their challenges

- Secured agreement from Arts Council England (ACE) to continue our joint sector led **improvement programme for libraries**.
- Launched the **Libraries Development Initiative** – a £200,000 fund to build on our already successful Future Libraries Programme. Received over 100 expressions of interest for projects that explore new and more efficient ways of delivering library services, with LGA capturing and sharing the learning.

European and international

Helping Councils tackle their challenges

- Work to safeguard councils against **EU fines legislation** was successfully concluded on enactment of Localism Bill. We will continue to campaign to ensure that Government's consultation on a policy statement results in sufficient protections for the sector in line with LGA proposals.
- The LGA led work on **reform of EU budget** has now been adopted by pan EU advisory body for local government, the EU Committee of Regions.
- LGA concerns on how to protect councils from new financial and administrative burdens from **EU energy regulation for public buildings** has been adopted by the Committee of the Regions as the pan-EU local government lobbying position.

Workforce

Achieving greater devolution for local government

- Completed this year's round of **pay briefings** for the mainstream local government workforce. The summary of Councils' views, submitted to the Employers' side of the NJC on 14 December, left no doubt about the difficult financial climate facing local authorities.
- The process for appointing Directors of Public Health in the run up to **the transfer of public health** functions remains contentious. As a result of intense lobbying at the highest level, the Department of Health and LGA have agreed a joint letter setting out key considerations and emphasizing the importance of local discretion and decision-making.
- The newly agreed Employer Standards for **employers of social workers** are being hosted by the LGA and a first meeting of the Advisory Implementation Group was held on 19 December.

Helping Councils tackle their challenges

- Secured joint agreement with the trade unions, supported by government, on a new way forward for the **local government pension scheme**. The objective is to roll the requirements for short term savings and long term reform into a 'one step' process which will result in a new scheme being introduced in April 2014.

Improvement

Helping Councils tackle their challenges

- The first tranche of new-style **corporate peer challenges** is complete and feedback from those receiving and providing the challenge has been overwhelmingly positive. We are in active discussion with around 100 councils wishing to book challenges next year.
- We received an excellent response to our Adult Social Care Efficiency Programme, with applications from over 50 authorities, 1 region and 2 sub-regions.
- We have so far this year provided training and development to over 850 councillors.

Local government finance

Helping Councils tackle their challenges

- The **Local Government Resource Review** conclusions show the impact of our advocacy in stronger proposals for funding stability and a greater emphasis on fairness than the original proposals;
- The government's decisions on **council tax discounts** reflect the arguments put to Ministers by LGA elected members and will allow councils to raise some revenue to offset the cut to council tax benefit subsidy.
- Ministers and the Chairman have agreed to pilots of local delivery of direct face-to-face support for **Universal Credit customers**, in line with the LGA Executive's view.
- The government has, finally, agreed to legislate for **Tax Increment Financing**, in line with a longstanding LGA position.

Localism

Achieving greater devolution for local government

- In response to our request on behalf of the sector, there will be more **community budget pilots** and neighbourhood community budget pilots than the government originally announced.
- In response to our arguments, the new **Tackling Troubled Families Unit** has put councils at the centre of its way of working and is explicitly building on the progress councils have already made in addressing the issue.
- A successful chief executive-level summit with the **voluntary sector** national body ACEVO, an organisation that has been loudly critical of councils in the last year, generated a new and positive commitment to joint working between councils and voluntary organisations.
- Published "Keep it Real (Responsive Efficient Accountable Local) ", setting out the ways councils are in advance of the rest of the public sector in **reforming public services**. The publication has been noticed in the Westminster village and praised by Ministers.

Part 2 – Corporate Performance

Membership

1. Membership subscriptions were agreed by the Leadership Board on 7 December. Since then Test Valley and Bassetlaw have withdrawn their notice to leave the LGA and the London Borough of Richmond has rolled over to 2013/14.

Table 1 – shifts in membership

Membership	Sept 10	Mar 11	Sept 11	Jan 12	Shift
Total current membership	422	419	419	422	+3
Councils out of membership	4	7	7	4	-3
Notices to withdraw: WEF 1/4/12	10	10	19	16	-3
Notices to withdraw: WEF 1/4/13	1	21	12	14	+2

Table 2 – Councils out of membership/on notice

Out of membership	Notice to withdraw 1/4/12	Notice to withdraw 1/4/13
Doncaster MBC	Birmingham City Council	Broads Authority
London Borough of Bromley	Brighton and Hove City	Cambridgeshire Fire and Rescue Service
Royal Borough of Windsor & Maidenhead	Broxtowe Borough Council	Darlington Borough Council
Slough Borough Council	Cotswolds District Council	East Staffordshire Borough Council
	Elmbridge Borough Council	Hartlepool Borough Council
	London Borough of Greenwich	London Borough of
	London Borough of Sutton	Hammersmith and Fulham
	London Borough of Barnet	London Borough of Richmond
	Rochford District Council	London Borough of Wandsworth
	Rossendale Borough Council	Northumberland National Park Authority
	Royal Borough of Kingston Upon Thames	Runnymede Borough Council
	Rutland County Council	Vale of White Horse District Council
	Sefton Metropolitan Borough Council	Waverley Borough Council
	Southampton City Council	West Berkshire Council
	West Lancashire Borough Council	Worthing Borough Council
	West Sussex County Council	

Budget

2. The LGA's financial performance to the end of November shows a surplus at the 8 month point of £4.5m. Of this, £2.8m relates to grant-funded programmes which are expected to break-even at year-end, leaving an operating surplus on RSG-funded activity of £1.7m. Once transition costs of £1.8m have been added back in, the operating surplus for the first 8 months is £3.5m. This needs to be set in the context of quieter summer months and a cautious approach to spending the aftermath of the substantial reduction in core funding.
3. On current projections, an underspend of up to £3.0m (up to 5% of turnover) is forecast for the year. This is a positive financial result for the LGA, given the significant reduction in core funding that came into effect from the start of this financial year, and which led to significant steps to reduce the LGA's cost base. Any operating surplus from this financial year will give us the flexibility in future years to direct resources to new and emerging priorities such as our work on Community Budgets and support for councils as they face increasing financial pressures. Any additional flexibility will be welcome given the LGA's own tightening finances, as RSG top-slice is further reduced over the next three years.
4. The final position for 2011/12 will be largely determined by the extent to which agreed programme budgets are spent in the last quarter of the financial year. The position will be closely monitored with budget holders over the coming weeks. Strategic Management Team will also be reviewing patterns of spend after nine months in developing proposals for the 2012/13 business plan to ensure that pay and non-pay budgets are allocated appropriately to achieve the LGA's priorities.