

**RSG Topslice
2011/12 and 2012/13**

Summary of Programme Delivery

Introduction

In its programme published in 2010, the Government set out a clear intent to empower local communities and the bodies that serve them through a policy of localism, to transform the public sector, stimulate economic growth and tackle the financial deficit.

The RSG Prospectus for the current Spending Review period agreed between CLG and local government - through the LGA - focused on supporting the Department, in as cost effective a way as possible, to ensure local councils were able to make the optimum contribution to these aims and maintain their performance to meet the needs of the local people in difficult economic times.

The proposals were based on what councils told us was important and what would work and we have continued to develop and refine our offer in the light of feedback, evaluation and the challenges councils themselves face.

Our record over the last two years shows the critical role played by the LGA, in partnership with CLG, in ensuring the performance of councils, addressing those at risk of underperformance, driving improvement across the sector, supporting councils through significant changes and supporting strong local leadership.

We have used RSG topslice to enable councils to do things they would not be able to do on their own or things it would be costly for individual councils to undertake as they take steps to find further significant savings at the same time as developing new ways of working to serve the public better. We have put in place collaborative structures, systems, processes and relationships to the benefit of CLG and the sector that would have proved far more costly had they been implemented independently by the Department or councils.

One of the LGA's unique strengths is our broad and constant engagement with councils through our strong networks of councillors and officers who provide direction and support for all our work. As the independent membership and improvement organisation for local government, we hold unrivalled expertise and knowledge about local government and local government issues. This means we are able to be proactive and confident, driving change with and through our local government members.

A key strand of our offer is our support for sector-led improvement. RSG topslice provides excellent value for money, helping councils take responsibility for their own improvement and performance, replacing the very expensive, top-down system of performance management and inspection that was estimated to cost the taxpayer £1.5 billion a year. *Taking the Lead*, published in 2011, set out local government's approach to sector-led improvement and this was welcomed by the Government.

Over the last two years, councils have demonstrated they have been willing to take collective responsibility for the performance of the sector as a whole by collaborating, sharing good practice and providing robust peer challenge and support. As a consequence, with RSG funding, the sector has been able to establish and maintain a comprehensive, highly effective and extremely efficient programme of support.

What we've delivered

This report focuses on the work programme that we set out in our original Prospectus and describes what we have achieved with the topslice grants of £32.5 million in 2011/12 and £29.25 million in 2012/13.

In our Prospectus we proposed using RSG topslice for six broad areas of work:

- Local performance and value for money
- Local productivity
- Strong political and managerial leadership
- Local budgets and local accountability
- Strong local economies
- Transformed local workforce

Our achievements in each of these areas over the last two years – 2011/12 and 2012/13 - are set out in more detail below.

Our funding

Our RSG topslice grant will have reduced from £41.3m in 2010/11 to £25.98m in 2014/15 – representing a reduction of 37%. In spite of these reductions we are confident of being able to deliver a comprehensive and effective offer to councils representing value for money for the Government, CLG, councils and the taxpayer.

Local performance and value for money – with the abolition of CAA and the scaling back of inspection, support to councils with monitoring and assessing their own performance and delivering services to local people in a transparent way.

Evidence - a number of independent evaluations show that sector-led opportunities work - including tried and tested support from the then IDeA, and now the LGA:

- o Councils that underwent a peer challenge experienced an average yearly improvement in their CPA score for the years after the review that was more than 20% higher than the average yearly improvement for those councils that did not have a peer challenge.
 - o Councils who have participated in our political leadership programmes experienced an 81% greater than average improvement than those councils that did not attend these programmes.
 - o Councils that received mentoring from peers, on average saw an increase in their CPA scores of over 100% greater than those councils that received no mentoring support.
- **Sector overview** - we have maintained an overview of the performance of the sector and ensured direct support is available to councils at risk, so that the number of councils the Government has to intervene with is kept to a minimum.
 - **Direct support** – we have targeted support to individual councils and groups of councils, especially councils with the most severe performance challenges. Our Principal Advisers work closely with councils, gathering intelligence about the issues they face, ensuring they have the support they need and supporting the sharing of good practice and expertise across local government. Councils where we have provided support over the last year include Wirral, Corby, Brentwood, Tower Hamlets, West Somerset, Great Yarmouth and Doncaster. We have also supported at least 15 councils over the 2 years where there has been a dispute between the leader and chief executive or senior manager to successfully resolve the position. All of this is beneficial to both the sector and the Government. Because the LGA is acting early, nipping many problems in the bud and providing effective support, the Government does not need to intervene.
 - **Peer challenge** - in 2011/12 we delivered 96 peer challenges. This increased to 136 in 2012/13. The peer challenges have been delivered across a wide range of service areas including 70 corporate peer challenges, 43 children’s safeguarding and 7 adult social care peer challenges. We are in discussion with councils about a further 100 corporate peer challenges. Feedback from participating councils is positive and the programme continues to grow at pace. Feedback from the councils that have had a peer challenge shows that:
 - o 92% found their corporate peer challenge was well tailored to the specific needs and focus of the authority
 - o 96% agreed that the quality of the peer team was good/very good
 - o 92% of chief executives thought that peer challenge minimised the burden on their authority as compared to previous inspections.

“We achieved as much as we have done through previous inspections but with about ten per cent of the effort” – **Shared Chief Executive, District Councils**

An interim evaluation of the corporate peer challenge offer by Cardiff University was very positive and this evaluation is continuing to evaluate the long-term impact of peer challenges. We have recently published a set of case studies demonstrating how councils are using and benefitting from the peer challenge offer - <http://www.local.gov.uk/peer-challenge>.

Because of the investment through RSG topslice in this capacity, we have been able to apply the approaches and the skills we have developed through our core programme to range of service specific peer challenge programmes in children's services, adult social care, public health and range of other services, for which we have been able to attract additional grant funding from other government departments, thereby developing a comprehensive approach covering the range of council services.

- **Knowledge Hub** – we have established a professional social network for local government with over 140,000 members, enabling them to connect and share learning and information on-line in a secure environment.

Local productivity – supporting councils with pooling resources and redesigning services, identifying the key productivity gains for local government and making sure councils deliver these savings quickly.

- **Procurement** – some £59bn of council spend is with the private sector and this programme has sought to introduce competencies into councils and promote learning from innovation and best practice. We have devised a Procurement Pledge highlighting good practice for the sector and developed with Hampshire CC a National Procurement Strategy. We have supported 72 councils in eight separate programmes to develop new procurement frameworks, ranging from expert support for social care in the North East to a ground-breaking recycling programme in Birmingham.
- **Capital and Assets** - the LGA has now funded three waves of this programme, involving 37 councils covering over 40% of the country by population and area. Average savings in running costs are 20%, through a 25% reduction in operating footprint. Savings in carbon footprint have also been made, and a number of innovative sharing arrangements across central/local government. The LGA has just been commissioned to run a similar programme for the Cabinet Office across a further 12 local authority areas.
- **Bins, Bags and Trucks** – The LGA has worked with 87 councils on the Waste Collection Support Scheme to help them get value for money for their £250m. This has included support on joint procurement to 8 councils collaborating to buy 112 waste vehicles, **saving £2.6 million**.
- **Fraud** - The LGA Fraud pilot is working with 7 councils to help tackle housing tenancy fraud and is on track for **savings of £1 million**.
- **Adult Social Care** – we have worked with 44 councils seeking to make efficiency gains. An interim report published last autumn showed that on average these councils were planning to make savings of over twice their original plans: from around 2% in 2009/10 to 5.4% in 2011/12 – **some £322 million over the three years**. Results for 2012/13 show average savings rising to 6.1%. More importantly the programme is driving innovation; for example, Wiltshire have implemented a Payment By Results approach to domiciliary care contracting saving £2.8 million in 2011/12, and a further £2 million in 2012/13 – representing 20% of that budget.
- **New Ways of Working** – this has included supporting shared services arrangements, new approaches to commissioning, challenging demand management strategies and income generation plans. Our Productivity Expert programme has provided councils with an expert with the skills and experience required to assist them with achieving their efficiency targets. The programme has some notable achievements which are set out below.

- **Productivity Expert Programme**

- A contracts renegotiation expert has worked with Allerdale Borough Council resulting in **savings of £2.3 million**
- Wyre Forest District Council has saved **£700,000** by working with a systems thinking expert to redesign their services reducing duplication and waste
- A diagnostic was carried out by the productivity expert at Gloucestershire County Council to help challenge existing savings plans and identify potential efficiencies in Adult Social Care, with a new **£10.7 million savings plan** being delivered.

- **Shared Services** – we have captured and promoted good practice around councils sharing services. Our interactive web-based map includes examples from 337 councils which have helped those councils save £278 million. This represents a substantial increase over 2011, where we supported 270 councils in delivering savings of £165 million. Since the re-launch in January 2013 the map URL has been viewed 8,000 times.
- **Shared chief executive arrangements** - we have provided political and managerial support to councils wishing to share a chief executive arrangement. We are also supporting councils who are able to bid for the Efficiency Support Grant and the Transformation Challenge Award to come up with innovative ideas. We have supported the Shared Chief Executives network which comprises 19 Chief Executive's covering 39 local authorities and have set up a Special Interest Group for leaders of councils as well as publishing guidance to help councils who are considering moving to such an arrangement in the future.
- **Future Council programme** – we are working with six councils to help them implement new models of service delivery and find innovative responses to the future financial constraints facing the sector. The pilots cover three areas: demand management through early intervention and behaviour change, increasing entrepreneurial and commercial activity, and new approaches to commissioning. The programme includes a joint venture trading company in Trafford for commercial return through supporting other councils and NHS bodies, and a social franchising project - 'Streetwise' - in Rushcliffe.
- **The Commissioning Academy** – for senior commissioners from all parts of the public sector, this programme has been developed by the LGA working closely with the Cabinet Office. 41 delegates – 24 from local government - attended the first two pilots and a further 22 councils have applied to be on future cohorts of the Academy. A further 100 senior council officers are to attend the Commissioning Academy over the coming year.
- **Creative Councils** – through our joint programme with NESTA we are working with a group of creative, pioneering councils and their partners in developing, implementing and spreading transformational approaches to meeting some of biggest medium- and long-term challenges facing communities and local services.

Strong political and managerial leadership – the constant development and renewal of local politicians in the light of the tremendous challenges facing the public sector and the key role councillors have to play as democratically elected local politicians, and the development alongside this of senior managers.

- **Leadership Academy** - we have provided places on our highly acclaimed Leadership Academy programme, providing opportunities for over 1,000 councillors, with 222 councillors attending the core programme and a further 770 attending focused, service-specific programmes.
- **Next Generation** - we have provided support for a further 110 councillors through the Next Generation programme which supports councilors with the potential to become the next leaders or cabinet members.
- **Other leadership development** - we have delivered a strategic leaders programme for Heads of Service to develop leadership skills and through the Leeds Castle programme provided the opportunity for leaders and chief executives to work together on developing their leadership roles.
- **Councillor recruitment** - our work with the national parties through our “Be a Councillor campaign” has been successful in attracting new people into local government.
- **National Graduate Development Programme** - 140 talented graduates have been recruited into local government over the last two years through our national scheme. Our Local Government Challenge scheme also provides personal development for rising stars in the sector.

“Best thing for me was the ability to network across the country with people from different political parties and to share common issues and problems. Our underlying issues are all so similar”. – **Portfolio Holder for Change and Efficiency, County Council (Conservative)**

Local budgets and local accountability – helping councils transform the way the public sector works and do more for less through our support for community budgets.

- **Community Budgets** - we have been driving the debate on public sector reform and community budget in particular, supporting the pilots and establishing and running the Challenge and Learning Network. We have commissioned an independent evaluation programme - carried out by Ernst and Young - to identify the costs and services benefits that arise from the devolution of budgets, which has become the touchstone for demonstrating the value for money of community budgets. We have also published the Guide to Community Budgets – for which the Prime Minister wrote the introduction – and have developed the www.communitybudgets.org.uk website. Alongside this we have run national events and facilitated other forms of information-sharing.
- **Troubled families** – we established the network of councils running community budgets for troubled families – now managed by the Government’s own TF initiative – and made a financial contribution to the evaluation of the TF initiative.
- **Children’s’ services** – we have provided support to councils in their role in school place provision and directing school improvement generally. Through our support to the National Foundation for Educational Research (NFER) we have contributed to the development of independent evidence to improve education and learning.
- **Public health** – we have supported councils with their new public health responsibilities through: high profile conferences and events for health system leaders in local government, public health, the NHS, Government and other stakeholders; practical guidance on the constitutional and governance issues relating to health and wellbeing boards; and case studies and good practice information.
- **Safer communities** - we have supported councils in setting up police and crime panels, published guidance, provided training directly and through regional structures, and set up a network for host local authorities. Since the Police and Crime Commissioner elections in November 2012 we have supported panels with some of their key statutory functions such as conducting confirmation hearings and scrutinising the police precept. We have worked directly with Police and Crime Commissioners to reinforce the links with local government in protecting communities and driving down crime through a comprehensive conference schedule, Ministerial roundtables, and a series of subject specific briefings such as tackling anti-social behaviour, safeguarding children, metal theft and other web materials.
- **Democratic accountability** - our support for the Centre for Public Scrutiny enables them to provide direct support to councils and councillors in developing scrutiny skills and expertise, holding both local government and other parts of the public sector to account as democratically elected local representatives.
- **LG Inform** – we have developed an on-line data and benchmarking service, enabling councils to access, compare and analyse performance with over 90% of councils now registered and total of more than 1,700 users. We are on track to make this available to the public in September 2013, thereby increasing councils’ accountability to local voters and taxpayers.
- **Transparency** - we have supported councils to understand and implement the recommendations in the Code of Practice for Local Authorities on Data Transparency.

This has included publishing guidance for councils on publishing data on spending, salaries and contracts; conducting a series of regional workshops for councils to promote understanding transparency; and developing case studies and gathering good practice in transparency to share with councils and promote learning.

- **You Choose** – research shows that residents like to be involved in budget-making decisions. Our “You Choose” budget consultation tool provides councils with an “off the shelf” solution to help with budget consultation and is used by 135 councils.

Strong local economies – developing councils' role with local businesses and other partners in stimulating growth through issues such as planning and housing, local transport and infrastructure, employment and enterprise and the transition to a low carbon economy.

- **Leadership programmes** – we have delivered a programme of focused development workshops for council leaders and senior officers to develop their capacity and ability to work with Local Enterprise Partnerships and other partners to deliver growth and growth-enabling infrastructure. We have also provided a tailored programme of support for councils pursuing City Deals.
- **Peer support and challenge** – we have mobilised political and officer expertise to help councils reflect on their economic plans, strategies and relationships to deliver local economic growth.
- **Skills** – through our Hidden Talents campaign, we have promoted the role of councils in identifying and supporting young people not in education, training or employment, and through our support for the National Youth Agency (NYA) and the National Institute of Adult & Continuing Education (NIACE) helped develop good practice in youth services and adult learning.
- **Low carbon economy** – through a programme of events, on-line support and good practice guides, our Climate Local programme which over 60 councils have signed up to, promotes opportunities for job creation and saving money through the low carbon economy.
- **Housing** – we have supported councillors with increasing investment in new and existing housing stock by raising awareness of the tools and powers, options and delivery vehicles available to councils. We have also supported councillors in discussing growth needs with local people. The programme has included a series of housing master classes, practice notes and a councillor guide to managing the Housing Revenue Account and working with the private rented sector.
- **Local Partnerships** – through our support to Local Partnerships (LP), a joint venture with Partnerships UK, councils have been provided with commercial expertise and advice on matters of legal and contractual complexity in a range of service areas including IT, waste, social care, leisure, parking, policing, emergency services as well as core infrastructure projects.

Transformed local workforce – helping councils with developing an affordable and flexible pay, reward and conditions systems and employing their staff differently to achieve more for local people and evolving new ways of working in response to changing priorities and needs.

- **National pay bargaining for local government** - as the national body representing local government employers, we have secured no cost of living pay awards for three successive years.
- **National pay bargaining Fire Authorities** – we act as the national body representing Fire Authority employers.
- **Working with the Teachers National Pay Body** – we have consulted widely across the sector, gathering views and evidence and submitting this to the review body.
- **Pensions** - we have negotiated an agreement with the Government and trade unions for a new Local Government Pension Scheme which will reduce costs for many employers, introduce flexibility and avoid significant opt-outs. This has been achieved without serious industrial disruption.
- **Workforce challenges** - we have supported councils in addressing immediate and future strategic workforce challenges in areas such as organisational restructuring, reward systems, mutuals and social enterprises, employee engagement and the transfer of public health to local government.
- **Cost reduction** – we have worked with a range of councils to help them look at spans of control and it is estimated that as a result, 4 councils have saved in the region of £2 million. We have shared the learning from this more widely across local government.