

Chief Executive's Monthly Report – June 2013

Purpose of report

For discussion and direction.

Summary

The LGA business plan 2013/14 centres on three priorities:

- Funding for local government;
- Economic growth, jobs and prosperity; and
- Public service reform.

The monthly Chief Executive's report sets out the LGA's main achievements against those priorities. It also summarises how we are supporting councils through our core improvement services, and how we are managing our own efficiency and effectiveness.

Recommendation

That Leadership Board notes the Chief Executive's report for June 2013.

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Part 1- Achievements against our three priorities

Priority 1 – Funding for local government

- The final Local Authority Central Spend Equivalent Grant (LACSEG) repayment totaling £94 million has now been distributed to 101 councils. This follows the legal action taken by 31 authorities, with the LGA taking on a co-ordinating and communication role.
- The LGA Spending Round submission received widespread media coverage including the Sunday Times, Telegraph, Star, Mirror, FT Online, BBC Online, i, Guardian Online, Mail Online, Express Online and BBC Radio 2, 3 and 4. Sir Merrick Cockell was interviewed for BBC News TV Councillor, David Sparks for BBC Daily Politics and BBC 5Live's Morning Report and Councillor Mehboob Khan for BBC News 24.
- Sir Merrick met Secretary of State, Jeremy Hunt to discuss funding for adult social care in advance of the forthcoming Spending Round, and the new duty on upper-tier authorities to appoint medical examiners to provide independent oversight of death certification. We are working with the Department of Health and other key stakeholders to identify and address the practical challenges of the new duty.
- We received media coverage for our community budget proposals; for our call for a radical reform adult social care funding and delivery in response to the Age UK report which found elderly patients waiting more than a month before transfer to a care home; for the ADASS survey revelation that councils have stripped £2.7 billion from adult social care services since April 2010, and for Sir Merrick's response to the Queen's Speech, focussing on the financial crisis facing social care.

Priority 2 – Economic growth, jobs and prosperity

- Councillors from Essex, Sunderland, Halton, Nottingham and Derby presented the case for localising skills work in England at a round table hosted by Sir Merrick and attended by Skills Minister, Matthew Hancock Whilst the minister was keen to emphasise that he did not want to create local red-tape, he agreed to receive detailed submissions on how business-led, local funding streams could better align training and employers' needs.
- Presenting at a BIS/CLG conference to launch the plans for EU funds to England from 2014-20, we stressed that localisation and the alignment of funding streams to LEP areas was a major step forward, but warned against possible government top-slice of funding and the transfer of resources from England to the devolved administrations.
- Councillor Mike Jones, Chair of the LGA's Environment and Housing Board, appeared on

Radio 4's You and Yours to discuss the house building crisis. Our figures on homes granted planning permission but not yet built, were quoted in the FT.

- The LGA submitted its consultation response on further changes to the Community Infrastructure Levy (CIL). We stressed that changes must be proportionate and evidence-based and minimise cost and delay to councils. We highlighted the need for a flexible system and opposed measures to introduce mandatory exemptions to CIL which will reduce flexibility for charging authorities to cater for local priorities and invest in crucial infrastructure.
- The LGA responded to Ofwat's consultation on assessing water company business plans under the current Price Review process. Key points raised included the importance of water company infrastructure investment to support local growth ambitions and greater collaborative working between water companies and local authorities to maximise opportunities for reducing flood and drought risks.
- Following the LGA's work on the impact of street-works by utility companies, we announced a new task force of councils, businesses and utility companies to cut cost and disruption of street-works, which was well covered in the media.

Priority 3 – Public services reform

- The LGA/NHS England Winterbourne View Joint Improvement programme is issuing a local 'stocktake' to enable health and social care partners to benchmark progress and set priorities for action. The focus of the programme is to reduce reliance on hospital or long term residential care and to move people from these into locally based community settings. For more information, go to http://www.local.gov.uk/web/guest/adult-social-care/-/journal_content/56/10171/3912043/ARTICLE-TEMPLATE
- Chief Executive, Carolyn Downs held a round table for our new national partnership comprising NHS England, Public Health England, the NHS Confederation, ADPH, SOLACE, the Department of Health (DH) and Healthwatch England. The partnership has secured £1.8 million from DH to support councils and Health and Wellbeing Boards to take on new powers and responsibilities. The programme uses established sector-led improvement tools, and longer term aims to transform health and wellbeing.
- BBC Online reported on the LGA and other bodies, including the Department of Health, signing a pledge to close the gap between health and social systems by 2018.
- Councillor David Simmonds appeared on Radio 4 to discuss proposed amendments by charities, to the Children and Families Bill which would see further support for foster children as they become young adults. He also appeared on BBC Radio 5 Live to discuss the potential issues with raising the school leaving age.
- We launched a new publication with Sport England about the role of local political leadership in transforming sport and leisure services to meet funding challenges and maximise opportunities such as public health reform.
- We made the case to Arts Council England for the LGA to coordinate the nominations

process outside London for local government representatives to area councils.

- Councillor Mehboob Khan, chair of the Safer, Stronger Communities Board, was interviewed on LBC radio on our support for Law Commission proposal to equip councils with more powers to clamp down on rogue taxis. The item was also reported in the Mirror.
- In mid-May we held a master class on domestic homicide reviews to share best practice from those authorities that had conducted them, to examine what the Home Office are seeking in reports sent to them for publication, and to explore how the cost of conducting reviews could be reduced.
- The first Hate Crime and Anti-Social Behaviour Risk Assessment peer review was held in Knowsley, which looked at developing multi-agency case conferencing to minimise risk of harm to vulnerable victims.
- Sir Merrick Cockell's criticism of legislating the publicity code featured on BBC Online.

Part 2 - Sector-led support, improvement and innovation – our core services

- The 2013 Councillors Guide has been sent to all new councillors elected in the May local elections and in recent by-elections, and is available on our website. It provides an introduction to the local government and to the key challenges facing local government today.
- The first wave of three Commissioning Academy cohorts will start in June 2013. The Commissioning Academy, a joint programme between the Cabinet Office, the LGA and other central government departments, enables senior commissioners across the public sector to develop their commissioning skills, embrace new and innovative forms of delivery and deliver better value for money.
- Our National Procurement Strategy, developed in partnership with a number of councils, is undertaking in depth reviews of construction, energy and ICT to identify opportunities to deliver savings through collaborative procurement and better contract management.
- We delivered libraries peer support for Solihull Metropolitan Borough Council.
- We hosted a well-attended culture and sport peer training event as part of our work to build the sector's capacity to lead its own improvement.

Part 3 – Our own efficiency and effectiveness

Finance

2012/13 Financial Accounts

The financial statements for the year ended 31 March 2013 have been produced and are expected to receive an unqualified audit by Littlejohn LLP. They are to be considered and adopted by Resources Panel on 4 June.

This is the second year for which consolidated financial statements have been prepared for the LGA and its related bodies. This year, for the first time, all the company accounts (eight different sets) that feed into the consolidated accounts have been prepared and audited before the end of May so they can be reviewed by the Audit Committee and adopted by the respective company boards in June. This means that a fully verified set of consolidated accounts will be presented to the General Assembly.

The financial accounts show that last year the LGA and its related bodies made an operating surplus of £6.511m with an overall surplus after other adjustments of £4.947m. This result is significantly skewed by book adjustments in relation to the LGA's pension schemes and also the two Joint Ventures in which the LGA has a stake, Local Partnerships and Geoplace. The overall results relate back to an operating surplus of over £1.45m on the LGA's core budgets, as reported in the monthly management accounts.

The accounts also show the overall pension deficit increasing from £66.97m to £75.57m as at 31 March 2013, principally because of a lower percentage discount rate now applied in the calculation of long term pension liabilities. (It should be noted that this is an accounting number using 'mark to market' values for assets. We will not know the actual combined pension deficit until the results of the triennial valuation later this year).

The consolidated accounts show that overall, income decreased from nearly £83m in 2011/12 to around £72m in 2012/13. This was because of the planned reduction in subscription income, the reduction in Revenue Support Grant top-slice and the loss of other grant income. Expenditure on staffing has reduced following significant reductions in employee numbers in 2011, falling by 8.5 per cent to £18.6m in 2012/13. This is reflected in the reduction in average staff numbers employed over the year which reduced from 347 to 309. Other expenditure has been managed in line with budgets. Because of the operating surplus mentioned above, it has been possible to cover the one-off costs of £1.210m associated with the Liberata contract re-negotiation out of in-year income.

Appendix 1 – Planned visits to member councils

2013		
W/C 3 June	Darlington (Peer Challenge)	Sir Merrick Cockell
7 June	North Chief Executive's Network	Carolyn Downs
10 June	Ealing Council	Sir Merrick Cockell
17 June	Jo Farrer CEX - Bath and North East Somerset	Carolyn Downs / Michael Coughlin
20 June	SW Chief Executives Meeting	Carolyn Downs
26 June	Scotland – Peter Housden and COSLA	Sir Merrick Cockell and Carolyn
28 June	North East CEX meeting	Carolyn Downs
1 July	Tameside Council	Carolyn Downs
12 July	Liverpool City Council	Sir Merrick Cockell and Carolyn Downs
15 July	South West Councils AGM	Sir Merrick Cockell
22 July	Suffolk CC and surrounding districts	Carolyn Downs
6 September	HIOW Chief Executives Meeting	Michael Coughlin
12 September	Warwickshire Chief Executives Meeting	Michael Coughlin
30 September	Oxford City Council	Carolyn Downs