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**Item 3**

**Revenue Support Grant (RSG) Bid - Briefing for Programme Boards**

**Purpose of report**

For discussion.

**Summary**

This report updates members on recent and future changes to Revenue Support Grant that will affect the Local Government Group.

It also contains background information to support Programme Boards' new oversight of improvement and development work.

**Recommendation**

The Board is asked to note the report

**Action**

Subject to members' comments, officers to take forward appropriate action.

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## **Revenue Support Grant (RSG) Bid - Briefing for Programme Boards**

### **Background**

1. The LG Group has reached agreement with CLG about funding that gets redirected, or 'top-sliced', by Whitehall from the Revenue Support Grant (RSG) councils receive each year. At present, the government directs the funding to be received by each of the nine central organisations serving local government. In future, the total grant would not be ringfenced but would be delegated to the designated local government body (LGA or LG Improvement and Development) for a set of agreed high level outcomes, allowing us to allocate funding and decide on the best means of delivery to achieve those outcomes. In return we are bidding for RSG top slice of £31.5m - a 30% reduction. CLG is currently consulting councils on these proposals.
2. Over the summer, work has been underway across the LG Group on the RSG top slice bid, building on a consultation exercise with councils carried out earlier in the year by Rob Whiteman, Managing Director of Local Government Improvement and Development, and further discussions with councils at the LG Group conference.

As a result the priority outcomes that have been identified are as follows:

- improve **local productivity**; identifying the key productivity gains for local government and making sure councils deliver these savings quickly;
  - radically transform the way services are organised to deliver the services people want in a joined up way through **local budgets and accountability**;
  - support councils in working closely with businesses and local people to create **strong local economies**;
  - improve the skills of councillors so they play a full role in helping local people build stronger civil society through strong **local political leadership**;
  - ensure an affordable and flexible pay, reward and conditions system for the whole of local government in order to deliver a **transformed local workforce** that is flexible and productive;
  - monitor and assess **local performance and value for money** to provide assurance to local people on the effectiveness of local services.
3. These will be signed off by the LG Group Executive on 16 September, where **Programme Board Chairs will have the opportunity to feed back**, and by the Group Resources Panel the following week.

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4. As well as forming the basis of the submission to CLG, these priorities will be central to the LG Group's strategy and business plan for 2011/12, which will be discussed further with members over the autumn.

#### **Performance, Improvement and Assessment**

5. The LG Group has made an offer to government to help develop a new approach to public services by streamlining the state, cutting public spending and devolving power to local people. These all have implications for the way local councils and partnerships assess and improve their performance.
6. As well as the work endorsed and led by the LGA Executive on **Place-based budgets**, key aspects of the LG Group offer also include:
  - **A Place-based Productivity Programme** that will support councils to develop their own ways to improve productivity according to local circumstances. The aim is to identify practical ways that councils can achieve savings this year and consider options for longer term transformational change. The Chairman of the Improvement Board wrote to all Council Leaders on 2 July to highlight the importance of this programme.
  - **Place-based self regulation and improvement:** The LG Group has also offered a new approach to self regulation and improvement. Peer review will be a key element to provide assurance to citizens and Government. Key elements of this approach involve:
    - i. Stronger accountability to the public through greater transparency;
    - ii. Self awareness. Councils and local partners will monitor and assess their own performance through regular self evaluation and peer challenge;
    - iii. Providing early warning of the risk of failure. The LG Group and its performance partners will work with the inspection and regulatory bodies to draw on data to provide "early warning" of potential major financial, governance or performance failure;
    - iv. statutory financial audit to continue – addressing financial resilience, value for money, probity and the reliability of local data.
7. The LG Group offer has been well received by the new Government and with the abolition of Comprehensive Area Assessment and the Audit Commission it is clear that the Government is thinking radically about future arrangements for holding local public services to account. Other key elements of the previous Government's "new performance framework" have also been dismantled, including Public Service Agreements (PSAs), the Place Survey and a number of national indicators.

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**Implications for Community Safety**

8. The Safer and Stronger Communities Programme Board provides oversight of all related activity across the LG Group, including the support programmes that help councils improve and develop their services. For each of the last two years, improvement work on community safety has been funded from a small allocation of £150K from the current top-slice allocation to Local Government Improvement and Development. In addition top-slice funding (approximately £100k) has supported work on community cohesion. Support for councils on preventing violent extremism has been supported through a special grant.
9. LG Improvement and Development, has undertaken a broad range of improvement support to the community safety sector, including:
  - online resources in the form of communities of practice and effective practice databases
  - on-site improvement support including a themed safer communities peer review (this was partly supported by Home Office funding in 2009/10)
  - creating a pool of approximately 60 cross-agency community safety peers
  - specific support to the fire and rescue sector, including peer review and support on diversity
  - supporting the development of neighbourhood partnerships
  - leading projects on Preventing Violent Extremism and community cohesion with local authorities across the country
10. To date around 20 community safety peer reviews have been undertaken, and a recent evaluation of the early reviews demonstrates significant reductions in crime over a 12 month period following the adoption of the recommendations made in the peer review. This is in line with local government's assertion, and clear evidence, that sector-led support is overall more successful in securing tangible and sustainable improvements in service.
11. An important part of LG Regulation's work and activity is improvement support to licensing and regulatory services. Delivering improvement across the range of these services provided by councils will continue to be an important part of the work of the Group.

**Conclusion and next steps**

12. With the proposed 30% or more reduction in funding to the LG Group there will be less money available overall. But community safety is a key area where focused and effective self regulation can be an alternative to top down regulation and inspection. There is a unique opportunity to build on the work

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that has been undertaken and make effective use of any available funding. Enabling local government to lead improvement activity will help ensure crime reduction and public confidence gains to date are not lost. A localist approach to community safety improvement, with local people in the driving seat is what local government wants; but we need to ensure councils are ready to actively support it. The LG Group has an important role in enabling this transition and delivering it successfully.

13. Going forward we would like to develop the programme of improvement support to include:
  - A more rigorous Safer Communities self assessment and peer challenge, involving the voluntary sector, business and local people in the assessments to provide more rigour and credibility.
  - Specialist peer challenges to include reviews of Integrated Offender Management, Drug and Alcohol, and Anti-Social Behaviour.
  - Assisting community safety partnerships to develop joint commissioning and improve productivity.

**Financial Implications**

14. The financial implications for the LG Group are set out in paragraph 1.