



# **Business Plan**

**October 2016 – September 2017**

## Foreword

There is no doubt that councils are facing unprecedented pressures, not seen in a generation. Financial, housing and social care pressures are acute and the implications of Britain's exit from the EU on our communities are at the forefront of our minds so it is more important than ever that local government has a strong, united voice. By working with our member councils across England and Wales we will continue to deliver better outcomes for our residents and make lasting change in our communities.

The EU referendum result is an opportunity to reshape the way in which this country is run. From the outset, local government has been clear that powers must not simply be handed from Brussels to Westminster. Our focus has and will continue to be on making sure we use our seat at the negotiating table to get the best solutions for local communities and the councils that serve them.

That means wider devolution and an increased role for local areas. Local government has made huge progress over the last few years, delivering a number of devolution deals across the country and proving to government that councils are best placed to make the decisions that affect their communities. We will continue to work with government and our communities to make sure that devolution delivers a real shift in power to local people.

We know that councils are best placed to balance the economy but they cannot do that without financial sustainability and the flexibilities to raise more funds locally. The Government's commitment to 100 per cent business rate retention is a step in the right direction, but if we are to become a truly self-sufficient sector then councils need to be given the powers to address their own financial instabilities. We will continue to make the case that government must properly fund councils if they are to deliver real change in our communities.

Health and social care pressures have reached near crisis point and councils are struggling when it comes to delivering services locally. Whilst the Spending Review 2015 rightly recognised the importance of adult social care and the pressures facing the sector, its solutions did not go far enough and will arrive too late in this spending review period to alleviate the acute pressures we are all facing now. We know that council tax rises to pay for social care will not bring in enough money to compensate for the annual increase in costs, driven by demographic and other pressures. We will continue to campaign to close the funding gap in adult social care that is predicted to grow substantially over the coming years.

Local government is committed to helping achieve the ambition to build 1 million new homes by 2020. This will only be achieved with strong national and local leadership working together supporting all partners to do their bit and giving councils the powers and money to resume their historic role in house building. We will continue to make the case for councils to increase housing supply and promote affordable housing.

Over recent years, we have proved that sector-led improvement is the way forward. Local government remains the most trusted and efficient part of the public sector. We will ensure our communications work continues to spread widely the good work of councils and showcase to government and residents that local government is working hard on their behalf.

**Lord Porter of Spalding CBE**  
**LGA Chairman**

**Mark Lloyd**  
**LGA Chief Executive**

## **Our mission**

**The LGA is the national voice of local government. We work with councils to support, promote and improve local government.**

We are a politically-led, cross party membership organisation working on behalf of councils to give local government a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they can deliver local solutions to national problems.

Our membership includes English and Welsh councils, fire and rescue authorities, national parks authorities and town councils.

The LGA fights local government's corner, supporting councils through challenging times and focusing our efforts where we can have real impact. Working with and on behalf of our membership, we:

- influence critical financial and policy decisions and shape and develop the policies that local government needs
- use our seat at the negotiating table for Britain's exit from the EU to secure the best deal for councils and press for more powers to be devolved from Whitehall – and from the EU - to local government.
- pick up emerging government thinking, ensuring councils' views are represented
- work with public, private, community and voluntary organisations to secure their support for local priorities
- co-ordinate collective legal actions on behalf of member councils
- promote local government and defend its reputation through the local, regional and national media.
- support councils to share best practice, drive innovation and improvement and to continue to deliver essential services.
- in our role as national employer, negotiate fair pay and pensions and provide support and advice on workforce issues.
- deliver broader services to local government via our joint venture and wholly owned companies – for example Local Partnerships, GeoPlace and Public Sector Audit Appointments Ltd

## **Our vision for local government**

Britain's exit from the EU means that we are reshaping the way our country is run. Our vision is one of a rejuvenated local democracy, where power from Westminster and from the EU is devolved significantly to local level and citizens feel they have a meaningful vote and real reason to participate in civic life and their communities.

Economic growth is boosted in a way that offers prosperity to every place, with well-targeted and planned investment in infrastructure, training and housing and support that really leads to jobs and an adequate supply of affordable homes.

Public services are transformed so that they focus on preventing problems instead of just picking up the pieces, delivering positive outcomes for all, in particular for our children and young people. Services are built around people and their needs, joining up to make a positive impact on the lives of individuals, families and communities and make local areas better places to live, whilst making best use of resources.

## Our Priorities

To support this vision, our priorities for the year ahead are:

### Britain's exit from the EU

Local government has a strong and influential voice during Britain's exit from the EU negotiations, securing the best deal for councils and ensuring that the different needs of different local communities are fully recognised.

### Funding for local government

Reforms to the finance system give councils the confidence that their financing is sustainable and fair, opportunities to raise more funds locally and greater ability to promote collective working across local public services.

*Our **Future Funding** campaign calls for fairer funding for local government, focusing on the reductions councils have already made and calling for all new policies to be properly funded by Government.*

### Inclusive growth, jobs and housing

Councils are recognised as central to revitalising local economies.

### Devolution

A radical re-think of governance and accountability achieves a real shift in power to local people.

*Our **DevoNext** campaign is pressing for further devolution of powers from Whitehall and Westminster to enable councils to secure economic, political and social benefits for their communities. Bringing local public services together in one local place.*

### Sector-led improvement

Councils are responsible for their own performance, effectiveness and efficiency, accountable before all else to their local communities.

### Promoting Health and Wellbeing

Councils are well placed to support their citizens to live healthy, active lives and to remain at home and independent for as long as possible.

### A single voice for local government

The LGA is the national voice of local government supporting and working on behalf of councils and councillors across England and Wales.

*Our **Reputation** campaign is working hard to protect and enhance the reputation of local government and local democracy.*

## Britain's exit from the EU

**Local government has a strong and influential voice during Britain's exit from the European Union negotiations, securing the best deal for councils and ensuring that the different needs of different local communities are fully recognised.**

### ***A seat at the negotiating table*** – we will

- work with ministers and civil servants to ensure a diversity of talent secures successful exit negotiations.
- act as the voice of local communities and ensure that the different needs of different localities are represented and heard.
- ensure that negotiations focus on those issues that matter most to local government and lead the negotiations on behalf of the sector.

### ***Constitutional reform*** – we will

- be a leading voice in redesigning how the UK works, and take advantage of the opportunity to seek the entrenchment of local government within our new constitutional settlement.

### ***Local economic developments*** – we will

- work to secure the £5 billion of regeneration investment guaranteed to local economies from EU Structural Funds to 2020 up until we leave the EU and lobby for alternative UK sources after we leave.
- help redefine future regional aid and state-aid rules which have to date been defined in Brussels.

### ***Disentangling councils' legal base*** – we will

- develop a new legal framework for those local government services which are currently based on EU laws - for example environmental policy, air pollution and energy waste.
- Ensure that repatriated laws and regulations are not centralised in Whitehall.

### ***Community cohesion*** – we will

- ensure that councils are supported to work in partnership to build community cohesion, tackle extremism, implement the *Prevent* duty and develop a sector led approach to sharing good practice around these issues.

### ***Exiting the EU and Place*** – we will

- ensure that there is an evidence base to demonstrate the risk and opportunities of exiting the EU by place and how these differ by geography.

## Funding for local government

**Reforms to the finance system give councils the confidence that their financing is sustainable and fair, with opportunities to raise more funds locally and greater ability to promote collective working across local public services.**

### ***Funding for local services that is appropriate and timely*** – we will

- lobby for fair funding for England and English local government.
- seek to ensure that the consequences for local government of central government reforms are understood and adequately funded, particularly in the areas of welfare reform, adult social care, school places, children's services and fire and rescue.

*Our **Future Funding** campaign calls for fairer funding for local government, focusing on the reductions councils have already made and calling for all new policies to be properly funded by Government.*

### ***People have a meaningful local voice on a wide range of tax and spending decisions*** – we will

- lobby for a transparent local government finance system that promotes self-reliance and self-sufficiency, encourages entrepreneurialism and innovation, promotes local decision-making on service delivery and maintains support for the most vulnerable.
- actively engage in the detailed arrangements for further business rates retention to ensure the system appropriately balances need, protection, risk and incentive.
- develop proposals to improve the business rates appeals system and modernise valuation and collection.
- encourage a debate on local financial autonomy with a view to achieving local control over both council tax and business rates, and the right to determine new local taxes and set fees and charges which fully recover costs.

### ***Councils are able to access to alternative sources of finance to encourage investment and create jobs*** – we will

- lobby to free local government borrowing from Treasury restrictions.
- develop policy improvements in capital financing and contribute to national reviews in this area.

## Inclusive growth, jobs and housing

**Councils are recognised as central to revitalising local economies and providing decent life chances for all residents.**

***Councils have a key role to play in driving economic growth, new jobs and wealth creation*** – we will

- support city regions and non-metropolitan areas to deliver a better economic and social future for their citizens.
- support councils to work with partners to maximise the value of local and national infrastructure investment, including transport powers (with Local Partnerships).

***Councils play a lead role in working with businesses to match education, training and skills with employer needs*** – we will

- Campaign for all young people to be supported to participate in quality skills development and training, including independent careers advice and a passport for lifelong learning.
- promote good employment practices in helping apprentices, interns and NEETS into work including a series of national events for young apprentices.
- Continue to press for councils to be given the power, funding and lead responsibility to integrate and commission future back to work, skills and welfare support under a devolved model.

***Councils unblock the barriers to house-building and drive the increase in housing supply the nation needs*** – we will

- continue to make the case for councils to increase housing supply, promote affordable housing and ensure a more effective use of surplus public sector land, and support consortia of councils to access significant development funds for housing through the creation of new partnership models.
- Support councils to initiate discussions exploring options that free councils from restrictions on their borrowing to build homes, including removing HRA borrowing contributing towards national public debt.
- seek to ensure councils have the tools to manage the housing impacts of welfare reform and the 2016 Housing Act.

***Councils have the levers they need to maximise the impact of their culture services as drivers of growth*** – we will

- support councils to make the most of their cultural, sporting and heritage assets and to get value for money from their investment in broadband.

***Councils facilitate economic growth through the development of risk-based, business-friendly public protection services*** – we will

- press for further reform of the licensing system to give councils greater flexibility to manage their local economy, including making the case for localisation of licensing fees and reform of licensing processes.
- promote sustainable delivery of models for regulatory services and support councils to improve taxi licensing, helping them understand the links between licensing and child sexual exploitation.

**Education** – we will

- set out a clear vision for the council role in promoting high educational standards for all children and young people in their area, whatever type of school that they attend, accompanied by the appropriate resources, powers and flexibilities to support this role.
- seek to reverse the short-sighted decision to reduce the Education Services Grant by £600m
- lobby for a stronger role for councils in making sure that new schools are fit for purpose, high quality and value for money, including a stronger role for councils in decisions about new free schools in their areas.
- respond to the forthcoming consultation on a national funding formula for schools to ensure it is fair, retains an element of local flexibility to reflect local needs and includes appropriate transitional protection for schools experiencing a reduction in funding.

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## Devolution

**A radical re-think of governance and accountability achieves a real shift in power to local people.**

***Councils have the powers and responsibilities to tackle the big challenges facing the country – we will***

- work in partnership with Government, business and other partners to ensure that local communities in England and Wales have more responsibility to make decisions upon the issues which are of greatest importance to their lives.
- provide direct support to councils to support the implementation of devo deals, new governance models and growth plans, through leadership development programmes, expert support, on-line tools and information.
- develop models of economic growth and service delivery that demonstrate how devolution can lead to better outcomes and work with councils to make the case to government.

*Our **DevoNext** campaign is pressing for further devolution of powers from Whitehall and Westminster to enable councils to secure economic, political and social benefits for their communities. Bringing local public services together in one local place.*

***Local authorities continue to play a leading role in the new policing and fire accountability landscape – we will:***

- Influence the new governance models and proposed inspection regime for the fire and rescue service, help fire and rescue authorities make the service more representative of the communities it serves, and support greater collaboration between the service and health.
- Work with police and crime panels to strengthen their scrutiny of Police and Crime Commissioners including PCCs' new responsibilities for the fire and rescue service, and lead a debate on the role councils have in building safer and more resilient communities.

## Sector-led support, improvement and innovation

**Councils are responsible for their own performance, effectiveness and efficiency, accountable above all else to their local communities.**

We have refreshed our improvement offer providing different tiers of support depending on the intensity of the challenges councils are facing locally. In addition, following consultation with the sector, we have strengthened and modernised the way we deliver corporate peer challenges and there is now an expectation that every council will have a corporate peer challenge or finance peer review at least every 4-5 years.

Our offer of support to the sector is funded by DCLG grant and organised around four themes. Key offers under each theme are as follows:

### ***Challenge and support from peers lies at the heart of local government's approach to improvement*** – we will

- maintain an overview of councils' performance, using this information to drive improvement, manage the risk of significant underperformance and minimise government intervention.
- deliver up to 110 peer challenges involving councillor and senior officer peers from councils and other organisations, including corporate peer challenges, service specific peer challenges, financial challenges and place based peer challenges.
- provide direct support to at least 75 councils and groups of councils each year, especially those with the most severe performance challenges or to resolve issues between the political and managerial leadership.
- share best practice of councils who are finding new and effective ways of working to secure outcomes for their communities at significantly less cost.
- through LG Inform, our online data and benchmarking service, provide free council and public access to transparent performance information. LG Inform Plus will give councils access to small area data reports and tools and support authorities to drive improvement.
- provide direct support to at least 45 councils, through our partnership with the Centre for Public Scrutiny (CfPS), to develop scrutiny skills and expertise.
- with Local Partnerships, support councils to make savings by providing commercial advice and support on matters of legal and contractual complexity.

### **Strong political leadership is at the heart of local democracy and an essential precondition for continuous improvement** - we will

- support at least 700 councillors with leadership roles in their councils – including those in opposition – through our suite of leadership programmes.
- support at least 60 ambitious and talented councillors with the potential to progress in their political careers through our Next Generation programme.
- help councils, political groups and the national parties to attract new talent to get involved in civic life through our 'Be a Councillor' programme.
- provide member peer support for at least 20 councils where there has been a change of political control, including new e-learning opportunities for all councillors particularly induction and community leadership skills.

- recruit up to 100 high calibre graduates to local government working with councils to secure interesting and challenging placements, as part of a two year National Graduate Development Programme, building links with other public sector graduate programmes.

***Councils continue to be the most efficient part of the public sector - we will***

- develop more opportunities for councils to enter collaborative procurement arrangements, saving councils at least £10m a year.
- support at least 25 councils to realise efficiency savings through our productivity expert programme, saving the councils in total at least £25m.
- help councils to develop a more commercial approach to their activities, achieving savings or generating additional income of £10m
- provide bespoke political and officer support for at least 30 councils to help them address issues around financial sustainability, integrated budgets, and managing the risk of new delivery models.
- provide a matchmaking service for councils who wish to share services and/or management teams and promote good practice through our web-based interactive shared services map.
- equip 15 more councils with the skills and confidence to use design to improve public services and manage future demand for them.
- in collaboration with Cipfa, help councils to be more proactive in dealing with fraud.
- support councils to improve crematoria and coroners services and influence the development of the new medical examiners system.

***The local government workforce is able to deliver the services required by local citizens - we will***

- work with partners to create innovative solutions to the challenge of bringing together workforces, improving organisational performance and productivity, better aligning pay and reward to performance and recruiting and retaining talent.
- lead pay negotiations and deliver cost-effective pay settlements for councils, supporting councils to develop an employment deal relevant to 21<sup>st</sup> century public servants
- provide specialist advice and support for the Local Government Pension Scheme
- provide sector specific advice on a range of employee relationship issues including employment law and job evaluation
- deliver a programme of support to help councils achieve their apprenticeship targets
- support 75 councils to transform their workforces and modernise the way they are managed

In addition to the direct support funded through DCLG grant we receive additional funding for our sector-led improvement programmes in specific service areas, including:

- Planning Advisory Service
- Culture services in partnership with Arts Council England and Sport England
- Care and Health programmes funded by the Department of Health
- One Public Estate

## Promoting Health and Wellbeing

**Councils are well placed to support people to live safe, healthy, active lives from childhood until old age, and to remain at home and be independent for as long as possible.**

### ***Councils lead the debate on the future vision for health and social care – we will***

- continue to promote a clear vision of the local authority role in the planning and delivery of health and care systems, with the integration of health and care at its centre.
- make the case in the short term for a 'lighter touch' approach to the assurance of Better Care Fund plans and lobby for all areas to be able to 'graduate' from the BCF – to move beyond national mandation if they have made good progress on the integration.
- campaign for health and wellbeing boards, and other bodies reflecting more strategic place-based approaches, to have a leading role in driving forward health and social care commissioning as part of this closer integration.
- develop an offer to support all areas to escalate the scale and pace of integration, including those negotiating for the devolution of health resources and decision-making.
- continue to lobby for a key role for councils and councillors in developing Sustainability and Transformation Plans to ensure local democratic accountability for redesigning health and care services to meet the challenges set out in the Five Year Forward View.
- work with the Association of Directors of Adult Social Care, Department of Health and NHS England to refresh and roll out the Care and Health Improvement Programme to help local authorities and health and wellbeing boards deliver sustainable local care and health services with increased public, regulator and government confidence.

### ***Councils are able to secure sufficient resources to deliver effective, integrated social care services – we will***

- campaign to close the funding gap in adult social care that is predicted to grow by at least £700 million a year, highlighting the impact of winter pressures, Deprivation of Liberty Safeguards and the implementation of the Living Wage on adult social care budgets and the sustainability of the provider market.
- continue to support implementation of the Care Act and work with government and other partners to understand implementation issues for the phase two reforms.

### ***Councils have a central role in promoting health and wellbeing locally – we will***

- commission a full cost benefit case for investing in prevention as a basis for educating different sectors on what councils are trying to achieve and how they can contribute, including by encouraging the public to take a greater role by living well and providing self-care.
- work with partners to continue improving public health and promote the role of wider preventative work within local areas' overall health and care systems.

***Councils support the vulnerable and elderly – we will***

- assist councils in supporting carers, improving dementia and mental health services, tackling the challenges and exploiting the opportunities of an aging population, and better supporting those with autism and learning difficulties.
- continue to work with councils to deliver the Armed Forces Community Covenant.
- support councils to work in partnership to reduce domestic abuse, female genital mutilation and anti-social behaviour.

***Councils keep children safe – we will***

- support councils to influence and implement the provisions in the Children and Social Work Bill, including the proposals for reform of Local Safeguarding Children Boards.
- support councils to improve fostering and adoption outcomes.
- continue to work to support councils to protect children and young people from child sexual exploitation, radicalisation and extremism.

***Councils have the flexibility and resources to deliver services that meet the needs of children and young people – we will***

- work to ensure that policy reforms enable councils to meet their ambitions for children and young people in their areas, as well their statutory duties in a climate of increased demand for children's social care.
- support councils to take a place-based approach to children and young people's health issues, including childhood obesity and child and adolescent mental health services.
- support councils to implement the new national funding formula for early years and the government-funded offer of an additional 15 hours of free childcare for working parents.
- support councils to deliver on reforms for children and young people with special educational needs and disabilities.
- work in partnership to improve life chances for disadvantaged households, particularly those with young children; making the case for early intervention and improved integration of services for families.
- work with the Association of Directors of Children's services and SOLACE to promote sector-led improvement for children's social care, particularly safeguarding.

## A single voice for local government

The LGA is the national voice of local government supporting and working on behalf of councils and councillors across England and Wales.

### A national membership body for local government – we will

- maintain membership levels amongst local authorities in England and Wales by continuing to offer membership benefits that meet the sector's changing needs and expectations.
- maintain subscriptions at current levels and continue to communicate on the benefits of membership directly with individual councils and all councillors.
- seek to attract organisations with an interest in local government into associate membership.

### A supportive membership body – we will

- co-ordinate collective legal action and New Burdens applications on behalf of councils.
- provide political support to individual councillors and to council administrations through our Political Group Offices.

### A politically-led organisation – we will

- review our Constitution to ensure that it continues to provide a strong framework for the Association and its membership.
- ensure that combined authorities, authorities with devolution deals and elected mayors are appropriately represented on our governance arrangements.

### Persuasive and transparent communications – we will

- work to support, promote and improve local government using the full range of communications activity.
- continue to develop all channels of communication in line with the transparency agenda, to deliver accessible information and communicate with key audiences and stakeholders.

*Our **Reputation** campaign is working hard to protect and enhance the reputation of local government and local democracy.*

### Financial sustainability – we will

- continue to develop the commercial activities of the LGA and its joint venture companies to ensure the long term sustainability of the organisation.
- invest in Layden House and Local Government House to increase their capital values and maximise our income from fully commercial lettings.

### Efficient business management – we will

- review and streamline our company structures to deliver a solid and tax-efficient base from which to run our business.
- through our partnership arrangement with Brent Council, continue to roll out a programme of ICT development that supports our drive for greater efficiency and flexibility and aligns with our overall priorities.

**Supportive people management – we will**

- undertake a review of our future leadership needs and put in place a leadership development programme for our current and aspiring managers.
- carry out a staff survey to ensure that we have a comprehensive understanding of our workforce and put in place a programme of actions and activities that respond to the results.

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## **Our service delivery partnerships**

**Local Partnerships** – is a joint venture between the LGA and HM Treasury, formed in 2009 to help the public sector deliver local services and infrastructure. It offers support to local authorities in the following areas:

- developing and reviewing strategic business cases and business plans
- service transformation and change
- modelling and legal frameworks for alternative service delivery models
- options' appraisal and assurance of chosen approaches or options
- forming effective partnerships (inter-agency brokerage)
- sourcing and commissioning, contract negotiation and management
- economic development and planning
- delivering infrastructure

**GeoPlace** – is a joint venture between the LGA and Ordnance Survey, formed in 2010 in response to a government call to bring together existing creators and suppliers of addressing data to one central place to build a single, definitive address database. It works in close collaboration with local authorities to:

- create and maintain data models
- cleanse and validate data
- Provide support and training to councils ensure high quality, cost effective and timely data.

**Public Sector Audit Appointments (PSAA)** – is an independent company limited by guarantee incorporated by the Local Government Association in August 2014. PSAA is responsible for:

- appointing auditors to local government, police and local NHS bodies for
- setting audit fees
- making arrangements for the certification of housing subsidy claims