



**Business Plan 2015/16**

**FINAL DRAFT**

**for LGA Executive – 5<sup>th</sup> March 2015**

## The LGA's priorities

### 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 organisation which works on behalf of councils to ensure local government has 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 are able to deliver local solutions to national problems.

Our membership includes English councils, the 22 Welsh councils via the Welsh LGA, fire and rescue authorities, national parks via corporate membership through the English National Park Authorities Association (ENPAA) and one town council.

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

- influence critical financial and policy decisions
- press for more powers to be devolved from Whitehall to local government
- pick up emerging government thinking, ensuring councils' views are represented
- shape and develop the policies that local government needs
- influence draft EU laws to get the best deal for our councils
- work with public, private, community and voluntary organisations to secure their support for local priorities
- speak with one voice to the public through local, regional and national media, helping to promote local government and defend its reputation
- support councils in driving innovation and improvement and sharing best practice, to help them become more efficient and effective, delivering millions pounds of savings and improved services
- in our role as national employer, negotiate fair pay and pensions, and provide advice on workforce issues to councils.

## **Our vision for local government**

We want to enhance the quality of life for everyone in England by rejuvenating democracy and giving back to people real reasons to participate in civic life and their communities. We want participation in local elections to be a must-do and people to have a meaningful vote on a wide range of local tax and spending decisions. This means significant devolution of power from Westminster to the local level.

We want to see economic growth being boosted in a way that offers prosperity to every place; with well-targeted and planned investment in infrastructure, training and housing and help that really leads to jobs and an adequate supply of affordable homes.

We want public services to be transformed so they prevent problems instead of just picking up the pieces and are ambitious about the outcomes they can achieve for children and young people. We want services to be built around people and their needs, making their areas better to live in, and joining up to make a positive impact at the same time as saving money.

### **To help achieve this vision, our top priorities for local government for the year ahead are:**

***Funding for local government*** – the finance system is reformed so councils have confidence their financing is sustainable and fair, opportunities to raise more funds locally, and greater ability to promote collective working across local public services.

***Devolution*** - there is a radical re-think of governance and accountability to achieve a real shift in power to local people.

***Economic growth, jobs and housing*** – councils are recognised as central to revitalising local economies.

***Sector-led improvement*** – councils are responsible for their own performance, effectiveness and efficiency, accountable before all else to their local communities.

**We recognise the linkages between all these priorities. Some of the objectives set out below contribute to more than one priority – this is because all our work links back to the underpinning theme of greater independence for local government.**

### **During 2015/16 we will also run the following campaigns to help deliver our priorities:**

- **Investing in our nation's future, the first 100 days of the new government** - our 2015 General Election facing campaign setting out the priorities for what the new government must do in the first 100 days to secure a bright future for the nation.
- **Future Funding** - ahead of the Spending Review in 2015, focusing on the reductions in funding councils have already made and call for the powers and funding to protect council services locally.
- **DevoNext** - looking to devolve powers from Whitehall and Westminster to councils which will enable them to secure economic, political and social benefits for their communities.
- **Sector-led Improvement** - highlighting the benefits of sector-led improvement to local government and to promote the good practice taking place across councils.

- **Show Us You Care** - calling for the government to commit to protecting social care funding in councils.
- **Child Sexual Exploitation** - raising awareness of child sexual exploitation nationally

Local government is all about ensuring fairness for communities and enabling all the people who live there to thrive. Helping councils achieve this is therefore part of everything we do – inclusion and equalities issues inform all of our work.

## Our priorities

### Funding for local government

**There is reform of the finance system so councils have confidence their financing is sustainable and fair, opportunities to raise more funds locally and greater ability to promote collective working across local public services.**

***There is a transparent system of local government finance at national and local level*** – building on the work of the Independent Commission on Local Government Finance, we will lobby for a 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.

***Future spending reviews deliver fair, timely and flexible local government finance settlements*** – we will lobby for fair funding for England and English local government, including multi-year funding settlements and a localised distribution system that appropriately balances needs and incentives. We will ensure that the financial consequences for local government of central government reforms are understood and adequately funded. In particular in the areas of welfare reform, adult social care, school places, children's services and fire funding

***People have a meaningful local vote on a wide range of tax and spending decisions*** – we will encourage a debate on local financial autonomy and the future of local government finance with a view to achieving local control over council tax and business rates, along with the right to determine new local taxes and set fees and charges which fully recover costs.

***Councils have access to alternative sources of finance to encourage investment and create jobs*** – we will lobby to free local government borrowing from Treasury restrictions.

***Councils are effective in dealing with the impact of reduced funding, taking steps to ensure that they continue to be financially sustainable*** – we will provide practical support and advice to councils on surviving financially, managing risk and taking big, difficult decisions on spending, and developing a more commercial approach including help in accessing social finance and greater collaboration with the private and third sectors.

***Councils are able to help residents and businesses prepare for and respond to severe winter weather*** – we will secure reforms to the Bellwin Scheme and lobby for a simpler and more co-ordinated approach to the allocation and application of emergency funding schemes. We will support councils with managing severe weather outbreaks, flood and other emergencies. We will argue to councils to receive a fair share of winter pressures funding to support the NHS, to help keep people at home rather than needing to go to hospital.

## Devolution

**There is a radical re-think of governance and accountability to achieve a real shift in power to local people.**

***There is a vision of local governance in 2020 that has the buy-in of the local government family and the wider community of interest and which influences the early decisions of a new government*** – we will set out our vision for local governance, with the principles of decision-making and accountability that will strengthen cities and non-met areas along with a five year programme of local reform, addressing the issue of how a differential system would ensure fairness for all communities. We will promote the benefits of integrated budgets and support councils and their partners in developing new governance and delivery arrangements to achieve this, and support councils directly in taking this forward through a series of local and national events.

***Councils are able to lead service transformation across health and care to fully deliver integrated approaches which put people at the centre of services*** – we will work with government, NHS and other partners to help every area make best use of the Better Care Fund to promote integrated and effective services which are jointly led. We will support the implementation of the Care Act and continue to work with partners to improve public health as part of the wider local health and care system. We will continue to support the role of Health and Wellbeing Boards as the key strategic leaders of the health and care system and work jointly with partners to strengthen service user and public engagement in health and care services.

***Councils have the flexibility and resources they need to deliver services that meet the needs of individual 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.

***Councils have a central and recognised role in the reformed welfare system*** – we will host the Partnership Forum, secure funding for local support services and ensure the Local Support Services framework recognises the role of local government in the local commissioning and delivery of services to support employment and access to affordable housing. We will monitor the wider impact of welfare reform on the services councils need and are able to deliver for their communities.

***Councils work effectively with partners to build and sustain resilient and sustainable communities*** – we will press government to finance properly the delivery of the counter-terrorism strategy and support councils in meeting their new duties to prevent extremism, and working with partners including the police on reducing crime in key areas such as organised crime, domestic abuse and female genital mutilation. We will work to build greater collaboration across the blue-light services and influence the independent review of firefighters' terms and conditions and continue to support the implementation of the Knight Review. We will support police and crime panels in their scrutiny of police and crime commissioners if these arrangements continue, and make the case for greater local authority involvement in police governance structures, if there are proposals for reform.

***The local government workforce is able to deliver the services required by local citizens*** – we will deliver cost-effective pay settlements for councils and support them in develop an employment deal relevant to 21<sup>st</sup> century public servants, provide specialist advice and support for the Local Government Pension Scheme and continue to offer practical advice and products for their workforce challenges. We will work with partner organisations to create innovative solutions to address the challenges from bringing workforces together, driving organisational performance and productivity through culture change and flexibility, better aligning pay and reward to organisational and individual performance, and recruiting and retaining talent.

## Economic growth, jobs and housing

Councils are recognised as central to revitalising local economies.

***Councils have a key role to play in driving economic growth, new jobs and wealth creation*** – with the devolution of power, policy and funding streams to secure UK growth, we will support both city regions and non-metropolitan areas in delivering a better economic and social future for their residents. We will provide direct support to councils in developing growth plans, through leadership development programmes, on-line tools and information and our tailored Open for Growth peer challenges. We will lobby at European and national level based on the 2015 EU legislative programme and to ensure the optimum delivery of EU funds for Local Enterprise Partnership areas.

***Infrastructure decisions are devolved and targeted to maximise growth*** – we will support councils in working with their partners to maximise the value of local and national infrastructure investment including transport powers, in particular through our support to Local Partnerships – a joint venture with HM Treasury.

***Councils are given the power, funding and lead responsibility to integrate and commission future back to work, skills and welfare support*** - we will continue to press for an integrated and devolved model including back to work support from 2017 when current Work Programme contracts come to an end. We will call for skills funding to be devolved to address future employer demand, and for welfare support to be localised.

***Councils play a lead role in improving educational standards and working with businesses to match education, training and skills with employer need*** – we will support councils to improve standards for all children and young people from their early years, through school and into post 16 education, training and employment. We will campaign to ensure all young people are supported to participate in quality skills, training and employment, including independent careers advice and a passport for lifelong learning to help young people with the transition to adulthood and work. We will promote good employment practices in helping apprentices, interns and NEETS into work and hold a series of national events for young apprentices. For more vulnerable learners we will support councils to deliver on the reforms for children and young people with special educational needs and disabilities.

***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 promote affordable and social housing by unblocking investment, encouraging third parties through the planning system and promoting more effective use of surplus public sector land. We will support consortia of councils to access significant development funds for housing through the creation of new partnership models. We will work to ensure councils have the tools to manage the housing impacts of welfare reform.

***Councils are at the heart of the commissioning and delivery of household energy efficiency schemes and lead the future direction of waste policy*** – we will champion councils' role in leading action on energy efficiency and green energy and ensure they have the flexibility and resources to support local initiatives to reduce energy costs, tackle fuel poverty and build resilience to climate risks. We will lobby to influence future EU proposals and ensure maximum local control over recycling targets..

***Councils have the necessary levers 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 work with councils to develop simplified risk-based regulation that supports local businesses, and work with the Better Regulation Delivery Office on implementation of the regulator’s code. We will lead a debate about how to create sustainable public protection services, and support councils as they develop new models of services and implement licensing reform.

## Sector-led support, improvement and innovation

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

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

- maintain an overview of councils' performance, use this information to drive improvement, and manage the risk of significant underperformance in order to minimise government intervention, holding regular meetings between councils and our principal advisors to share good practice and expertise, supporting lead member networks on key service and corporate issues, and sharing information and concerns with government departments.
- deliver at least 100 peer challenges involving councillor and senior officer peers from councils and other organisations covering issues of leadership, corporate capacity and financial resilience, service specific peer challenges focusing on safeguarding, adult social care and health, and place based peer challenges.
- provide direct support to at least 50 councils and groups of councils, especially councils 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.
- co-ordinate sector-led improvement for children's social care, particularly safeguarding and ensure councils are supported to be effective in tackling issues such as adoption and child sexual exploitation.
- develop and deliver a care and health improvement and integration programme with the Association of Directors of Adult Social Care and funded by the Department of Health, by helping local authorities and health and wellbeing boards improve outcomes for local people.
- provide free access to councils and the public of transparent and comparable performance information through LG Inform, our online data and benchmarking service. LG Inform Plus will provide councils with access to small area data reports and tools, and give support and guidance to authorities to drive improvements.
- provide direct support to at least 20 councils, through our partnership with the Centre for Public Scrutiny (CfPS), in developing scrutiny skills and expertise.
- provide support to councils to enable them to continue to be the most transparent part of the public sector.
- through our partnership with Local Partnerships, provide direct support to councils to help them make savings, by providing commercial advice and support on matters of legal and contractual complexity. .

- build on the lessons from the LGA/NESTA Creative Councils programme and continue to work with councils and national partners to support councils with developing, implementing and sharing innovative approaches to the medium - and long-term challenges facing local communities and services.

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

- provide development for at least 500 councillors with leadership roles in their councils – including those in opposition – through our suite of leadership programmes.
- support at least 50 ambitious and talented councillors with the potential to progress in their political careers through our Next Generation programme.
- support at least 50 leaders and chief executives through our Leading Edge programme giving them the opportunity to work together on developing their leadership roles and exploring new models of delivery in the light of the financial challenges facing the public sector.
- help councils, political groups and the national parties attract new talent to get involved in civic life through our 'Be a Councillor' programme.
- provide member peer support for councils where there has been a change of political control and provide new e-learning opportunities for all councillors particularly in relation to induction and community leadership skills.
- recruit at least 100 high calibre graduates in 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, including the establishment of an independent body to oversee the national procurement of external audit.
- provide practical support to at least 20 councils helping them realise efficiency savings through our productivity expert programme.
- deliver a programme of projects to help councils deliver savings and improve productivity, including work on commercialisation, commissioning, digitisation and service integration in health and social care.
- provide bespoke political and officer support for at least 25 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/management teams and promote good practice in shared services through our web-based interactive shared services map.
- provide practical guidance and support to help councils better identify the causes and triggers of demand and to use this insight to better manage demand across key services in the future.

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

- the 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 and Amenity Assets
- Neighbourhood Community Budgets.

## Our own efficiency and effectiveness

The LGA is the national voice of local government representing every local authority and locally democratically elected representative across England and Wales.

This includes working to ensure we have:

**Full membership** – we will maintain membership levels amongst local authorities in England and Wales – including fire and rescue and national park authorities – by enhancing the benefits of membership. Having significantly reduced subscriptions over the last five years, we will maintain subscriptions at current levels and continue to communicate on the benefits of membership directly with individual councils and all councillors. We will also seek to attract new organisations with an interest in local government into associate membership.

**Effective governance** – we will develop our governance structures building on successes of the recently created City Regions and a People and Places Board to ensure that we fully represent the interests of our members, as well as streamlining our governance arrangements in other areas to ensure we operate efficiently.

**Persuasive communications** – we will work to support, promote and improve local government using the full range of communications activity, ensuring councils have a strong national voice and are well represented to central government.

**Financial sustainability** – we will work with our member authorities and government to ensure we secure core funding for our core services from 2016/17 from subscriptions and RSG topslice. We will continue to develop the commercial activities of the LGA and implement plans for our two properties to ensure we maximise their value.

**Efficient business management** – we will continue to make changes to improve the efficiency of our back office services following the termination of our contract with Liberata, with the aim of achieving further savings in our overheads.

**Effective people management** – we will support our employees through effective performance management and development and will place a high priority on engaging them in developing and improving our services to councils.

**Accessible information** – we will focus on achieving improvements for our customers and supporting them with sharing information and knowledge, as well as reductions in our own costs by continuing to invest in a coherent, affordable programme of ICT development which aligns with our overall priorities.

## LGA budget 2015/16

			2015/16 £m	2014/15 £m tbc
Subscriptions			9.5	9.5
RSG England			23.4	26.0
RSG Wales			0.3	0.3
Specific grants and other ring-fenced funding			9.1	14.8
Income from direct services (conferences, seminars, sponsorship)			3.2	2.9
Rental income			1.3	1.4
Interest and other income			1.6	2.1
<b>Total income</b>			<b>48.4</b>	<b>57.0</b>
	<b>Pay £m</b>	<b>Non-Pay £m</b>	<b>Total £m</b>	<b>Total £m</b>
<b>Finance and policy</b>	4.9	0.5	5.4	5.8
<b>Workforce, leadership and productivity</b>	6.7	4.1	10.8	10.3
<b>Communications</b>	2.1	1.5	3.6	3.4
<b>Organisational governance</b>	1.7	1.3	3.0	3.0
<b>Grants to other organisations</b>		1.7	1.7	1.9
<b>Special projects</b>		2.5	2.5	0.6
<b>Total operational costs</b>	<b>15.4</b>	<b>11.6</b>	<b>27.0</b>	<b>25.0</b>
<b>Specific grants and other ring-fenced funding</b>	<b>3.5</b>	<b>4.6</b>	<b>8.1</b>	<b>13.5</b>
Corporate services	0.4	1.3	1.7	2.0
Liberata shared service		5.4	5.4	5.4
Accommodation		2.9	2.9	2.9
<b>Other costs</b>	<b>0.4</b>	<b>9.6</b>	<b>10.0</b>	<b>10.3</b>
Pensions - past employees		0.9	0.9	0.9
Pensions - additional contribution		2.4	2.4	5.3
<b>Additional pension costs</b>		<b>3.3</b>	<b>3.3</b>	<b>6.2</b>
<b>Total expenditure</b>	<b>19.3</b>	<b>29.1</b>	<b>48.4</b>	<b>55.0</b>

## Performance framework

We will review the impact of our work and our delivery against the priorities in this business plan, through robust performance management including regular reports to members on the LGA's Leadership Board. To support this, **we have developed a robust performance framework with information on the key milestones and deliverables for each area of work.**

**In addition**, we will review our efficiency and effectiveness through the corporate indicators set out below:

Corporate indicator	Actual	Actual	Actual	Actual	Target 2015/16
<b>Membership</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>	<b>March 2016</b>
Total membership	422	422	412	TBC	Increase
Councils on notice to withdraw after 1 year	9	21	2	TBC	Reduce
Councils on notice to withdraw after 2 years	25	2	13	TBC	Reduce
<b>Local Government's Reputation - %age of public satisfied with local council</b>		Survey 2012	Survey 2013	Survey 2014	Survey 2015
		72%	70%	70%	Increase
<b>The LGA's reputation</b>		Survey Nov 2012	Survey Nov 2013	Survey Nov 2014	Survey Nov 2015
Member authority satisfaction		63%	70%	TBC	Maintain or increase
Member authority informed		69%	77%	TBC	
Member authority advocacy rating		77%	77%	TBC	
Value for money rating		46%	53%	TBC	
<b>Financial sustainability</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>	<b>March 2016</b>
Number of employees in core posts	253	269	247	TBC	Reduce by 28 posts
Employees – externally-funded posts	38	25	36	TBC	Maintain or increase
Employees – total headcount (from a baseline of 450 employees in 2011)	291	294	283	TBC	
<b>Debtors</b>	<b>March 2011</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>	<b>March 2015</b>
0-2 months	79%	94%	86%	TBC	80%
3-12 months	9%	5%	13%	TBC	20%
13-24 months	3%	1%	1%	TBC	0%

<b>Corporate indicator</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Target 2015/16</b>
Over 24 months	9%	0%	0%	TBC	0%
	100%	100%	100%		100%
<b>Liberata contract – customer satisfaction</b>	<b>Survey Nov 2011</b>	<b>Survey Nov 2012</b>	<b>Survey Jan 2014</b>	<b>Survey Nov 2015</b>	<b>Survey Nov 2015</b>
HR and payroll	78%	81%	76%	TBC	90%
Finance and accounting	70%	76%	73%	TBC	80%
ICT	45%	65%	70%	TBC	80%
FM	85%	82%	85%	TBC	90%
Print and design	89%	82%	76%	TBC	90%
<b>People management</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>	<b>March 2015</b>
Average sick days per employee for 12 months	4.5 days (public sector average 9.6 days; local government average 10.3 days)	3.2 days	3.1 days	TBC	Maintain or improve
<b>Workforce profile</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>	<b>March 2015</b>
BAME - proportion of employees Grade 8 and above	10.3%	15.6%	12.8%	TBC	Increase % of BME employees grade 8+ in line with workforce (17%)
<b>Employee engagement</b>		<b>Survey March 2012</b>	<b>Survey Sept 2013</b>	<b>Survey Dec 2014</b>	<b>Survey 2015</b>
Job satisfaction		65%	73%	77%	Improve by an average of 2%
Customer satisfaction		53%	64%	78%	
Communication		59%	67%	62%	
Line management		65%	76%	88%	
Management visibility		38%	57%	71%	
Work/life balance		62%	67%	71%	
Equality and diversity		69%	78%	68%	
Perceptions of the LGA		51%	53%	53%	