

Chief Executive's Monthly Report – May- July 2015

Purpose

For discussion and direction.

Summary

The LGA business plan for 2015/16 centres on four priorities:

- Funding for local government;
- Devolution;
- Economic growth, jobs and housing and
- Sector-led support, improvement and innovation – our core services

The six-weekly 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 the Leadership Board notes the Chief Executive's report for July 2015.

Action

As directed by members.

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Part 1 – Achievements against our three priorities

Priority 1 – Funding for local government

- Launched **A shared commitment: local government and the Spending Review** at Annual Conference. It contains the outline proposals from local government for the upcoming Spending Review and will be followed by subsequent work to build the case ahead of the announcements.
- Published an **Interim Future Funding Outlook 2015 report**, an update to last year's analysis which showed that, on the basis of the projections in the March Budget, councils would have faced a £9.5 billion funding gap by 2019/20..
- Submitted a response to the **government's review of business rates** which contained proposals around controlling the risk from appeals, the future of business rate retention and a return of the safety net topslice back to frontline budgets.
- The **Future Funding** campaign continues. Among other activities, an early-day motion supporting the campaign was tabled in March and a film about the tough choices councils will face with continued funding reductions was launched.
- Secured an extra £74m for upper-tier authorities to support **local welfare and social care** in the Local Government Finance Settlement.
- Published the '**Business Rate Retention: The Story Continues**' report, calling for further localisation of business rates. Following this lobbying, two pilot areas, Cambridgeshire and Peterborough and Greater Manchester Combined Authority, now retain 100 per cent of growth in business rates collected above existing forecasts from April 2015.
- Ensured that DEFRA increased the funding paid out to **Lead Local Flood Authorities** (LLFAs) for the first year from £1.5 million to £10.0 million: more than a 500% increase. LLFAs will play a new role in approval of **Sustainable Drainage Systems** from April 2015.
- Pointed out the strain funding reductions have placed on **local libraries' budgets** and securing £7.4 million funding was announced to support libraries in England to provide internet access and WiFi.
- Continued to call for a freeze in **Landfill Tax**. Budget 2015 announced that the standard and lower rates of the tax will increase in line with the Retail Price Index, rounded to the nearest 5 pence, from April 2016, **freezing the tax in real terms**.
- Pointed out the unfunded new burden imposed on councils by **Deprivation of Liberty Safeguards**. Following the Supreme Court Judgment in late 2014, **additional funding of £25 million** was announced to contribute towards this burden.

Priority 2 – Devolution

- Launched '**English Devolution: Local solutions for a successful nation**', our offer of partnership with Government to deliver devolution to all areas of England. The report, led jointly by the City Regions and People and Places Boards and supported by an advisory group of council chief executives, was featured on the BBC News and at the time of writing had been downloaded over 12,000 times.

- Launched '**English Devolution: Local solutions for a healthy nation**', capturing the thoughts of key opinion formers on the challenges and opportunities devolution could bring in terms of improving the public's health.
- Met with senior officials in Whitehall several times over the Purdah period to scope out how to **progress the devolution agenda** across the country and ensure that advice to new Ministers reflects the sector's views.
- Briefed peers on key concerns for local government in the **Cities and Local Government Devolution Bill**, including the need for a wider range of governance arrangements, a sustainable finance system and the need for transparent implementation of the Bill that ensures communities in all areas can benefit from devolution.
- Secured the secondment of **Andrew Campbell**, Director General at DCLG, to the LGA to support councils in preparing for devolution negotiations with Whitehall.
- Became the secretariat to the **All-Party Parliamentary Group on Reform, Decentralisation and Devolution**, supporting cross-party discussion on these important issues.
- Visited groups of councils across England to **discuss their plans for devolution and share our knowledge**. Areas visited include Hertfordshire, Norfolk, Dorset, the West Midlands, South East Councils, Plymouth, Cornwall and Lancashire.
- Met with key policy leads at the CBI and BPF to discuss **shared approaches to devolution** and other issues of importance to councils.
- Lobbied for the **Infrastructure Act** to include the requirement for Highways England to produce route strategies on which to base future investment plans, consulting councils on their **roads development programme** rather than developing their strategy in isolation of local growth or local roads.

Priority 3 – Economic growth, jobs and housing

- The Trade Unions have lodged their 2016/17 **pay claim** for "Deletion of NJC and all local pay points which fall below the level of the UK Living Wage (and deletion of GLPC pay points below London Living Wage) and a flat rate increase of £1 per hour on all other pay points; Retention and protection of Green Book Part 2 terms and conditions; and fair treatment for school support staff through a joint review of term time working". Pay consultation briefings will be held during September after which the Employers will respond formally to the unions.
- Launched the third phase of the **Economic Growth Advisors programme**. Councils are invited to bid for funding and access to our 'pool' of industry experts who will help them deliver a project to implement their economic growth objectives.
- Lobbied to ensure the implementation of a **Housing Finance Institute**, as recommended by the House and Elphicke review, of the role of local authorities in housing supply, in conjunction with the Local Government Association and businesses.
- Lobbied to ensure that **smoke alarms** are now mandatory in rented properties, potentially reducing the costs to fire and rescue authorities, and saving lives.
- Ensured that, planning permission is now required for all **new betting shops** to reduce

the proliferation of betting shops on high streets, which hinders local growth and regeneration.

- Published guides for local government to the recently enacted **Serious Crime Act**, **Deregulation Act**, **Infrastructure Act** and **Small Business, Employment and Enterprise Act**.
- Launched report setting out how government could deliver its ambitions for reforming the benefits system for young people with a **Youth Allowance**, proposing a locally coordinated Youth offer enabling all 14 to 21 year olds with the advice, experience and skills to be earning or learning, and local partnership commissioning of post 16 education.

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

- Our **Innovation Zone** returned to Annual Conference for a third year. The programme included digitalisation discussions with Maggie Philbin and many other examples of council and partnership innovations around commercialisation, digitisation, community action and joint work with partners to improve public services.
- Building on the success of the **Innovation Zone**, created a **database** which provides more details of the projects featured in the Innovation Zone. This resource has now expanded to include other examples of notable practice from councils across the country.
- Launched our new **financial review**. This is a form of **specialist peer challenge** that dovetails closely with our Corporate Peer Challenge. It looks at how councils are setting the strategy, making decisions required and implementing changes that will give them the best chance of balancing the books in the medium and long term.
- Commissioned **Newton Europe** to work with councils and partners in Kent, Swindon and Blackburn to provide robust evidence of the **efficiency opportunities** of integration across the **health and social care system**.
- Received a very healthy response to our consultation paper “**Taking stock: where next with sector-led improvement?**” A total of 160 individual responses were received covering 37% of authorities. 65% of authorities are covered by the responses received. Responses were received from a wide range of stakeholders, including the Secretary of State for Communities and Local Government.
- Integrated **ProClass**, local government’s own procurement classification, into local government information standards. ProClass allows councils to classify products and services purchased and opens up the potential to cross-analyse procurement activity to help find additional savings opportunities. Find out more at: <http://standards.esd.org.uk/?uri=group%2Fproclass>
- Launched a range of **political leadership development programmes** for 2015-2016 for councillors from the beginning of their political careers to being experienced leaders. www.local.gov.uk/councillor-development
- Published a guide for councils giving advice about **undertaking surveys of particular groups of users or residents**. This is the first in a series of guides for councils on different ways to engage residents and find out their views.
- Produced questions and guidance for councils carrying out **resident satisfaction surveys** who wish to accurately and effectively benchmark these results against other councils

using LG Inform with Ipsos MORI <http://lginform.local.gov.uk/about-lg-inform/resident-satisfaction>

- Secured EU recognition that **publicly-funded health and social services** will not be affected by the EU-US trade deal (TTIP) currently under negotiation.
- Developed and agreed a memorandum of understanding with HMRC, to facilitate **data sharing between councils and local government**. Councils that choose to opt in to the framework will be able to access HMRC data for the purpose of undertaking criminal investigations. This will support the work of councils' trading standards and corporate fraud teams in particular.
- Launched the **Municipal Bonds Agency** as an independent entity ready to raise and on lend capital at rates below the PWLB certainty rate. The revised business case conservatively implied that if half the outstanding debt from the PWLB were transferred over time to the Agency, the net present value of potential savings to borrowers could be between £1.2 billion to £1.45 billion over 30 years.
- Secured £2.1 million to establish a joint centre with Barnardo's to improve the social work response to **female genital mutilation**.
- The 2015-16 version of the **Councillors' Guide** is now available on the LGA website. It can be accessed from the following link:
http://www.local.gov.uk/documents/10180/6869714/L15125+The+Councillors%27%20Guide+2015-16_03.pdf/5b4d2760-0ac3-4cfe-b870-1768987c482d

Part 3 – Our own efficiency and effectiveness

1. Since the last report our media presence has included:

	Issues raised
Nationwide coverage	A shared commitment: Local government and the Spending Review
The Independent, The Daily Mirror	Local Government Finance Settlement
Guardian Online, Express	Show us You Care Campaign
The Daily Mail, The Telegraph	Adult social care concerns
BBC Online, the Independent, FT and Guardian. The Times	Budget response and local business rates proposals
BBC Radio 5 Live, ITV News and BBC Newsbeat.	Homeless teenagers seeking help to find housing being turned away by councils
The Times, The Daily Mail and Guardian	Local Government Finance Day
The Times	The Chair's call for further devolution on behalf of the sector
BBC Online, ITV Online, Mail Online, Telegraph, FT, Guardian, Independent and i paper.	Independent Commission on Local Government Finance's report 'Financing English Devolution'
The Guardian	The Chair's call to government for no more cuts to Local Government, on behalf of the sector.
The Independent, the i paper, Telegraph, BBC Online, Metro and BBC Radio 1	Our 100 Days call for nationally-run skills and careers advice services

Membership

2. As of 1 April 2015, all English councils are members of the LGA, with the exception of:
 - 2.1. London Borough of Bromley
 - 2.2. Sheffield City Council
 - 2.3. Wandsworth Council
3. The 9 authorities who have given notice to leave LGA membership on 31st March 2016 are:
 - 3.1. West Sussex County Council
 - 3.2. Waverley Borough Council
 - 3.3. East Staffordshire Borough Council
 - 3.4. Stockton on Tees Borough Council
 - 3.5. Barnet Council
 - 3.6. Preston City Council
 - 3.7. London Borough of Richmond Upon Thames
 - 3.8. North Lincolnshire Council
 - 3.9. Bristol City Council
4. Following members' decision at their last meeting to admit NALC into associate membership, work has begun to identify further associate members in line with the recommendations of the Commercial Strategy.
5. The following visits to councils by the Chief Executive have taken place since the last report.

20 May 2015	Hertfordshire Chief Executives
2 June 2015	North West Councils
14 July 2015	North West Employers