

**REVENUE SUPPORT GRANT BUSINESS CASE AND
PLAN**

2015/16

**IMPROVEMENT AND DEVELOPMENT AGENCY FOR
LOCAL GOVERNMENT**

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BUSINESS CASE AND PLAN FOR 2015/16

EXECUTIVE SUMMARY

This document makes the business case for continuing Revenue Support Grant (RSG) to the Improvement and Development Agency for Local Government¹ in 2015/16 in order that an efficient and effective programme of improvement services can be provided nationally for the benefit of all local authorities.

In its programme published in 2010, the Government set out a clear intent to empower local communities and the bodies that serve them through a policy of localism, to transform the public sector, stimulate economic growth and tackle the financial deficit.

The RSG Prospectus for the current Spending Review period agreed between DCLG and local government - through the LGA - focused on supporting the Department, in as cost effective a way as possible, to ensure local councils were able to make the optimum contribution to these aims and maintain their performance to meet the needs of the local people in difficult economic times.

The proposals were based on what councils told us was important and what would work and we have continued to develop and refine our offer in the light of feedback, evaluation and the challenges councils themselves face.

Our record over the last three years shows the critical role played by the LGA, in partnership with DCLG, in ensuring the performance of councils, addressing those at risk of underperformance, driving improvement across the sector, supporting councils through significant changes and supporting strong local leadership.

One of the LGA's unique strengths is our broad and constant engagement with councils through our strong networks of councillors and officers who provide direction and support for all our work. As the independent membership and improvement organisation for local government, we hold unrivalled expertise and knowledge about local government and local government issues. This means we are able to be proactive and confident, driving change with and through our local government members.

A key strand of our offer is our support for sector-led improvement. RSG topslice provides excellent value for money, helping councils take responsibility for their own

¹ The Improvement & Development Agency for Local Government (IDeA) remains the company name and hence is used in the relevant Statutory Instrument and Explanatory Memorandum. For the rest of this submission we use LGA as the parent body.

improvement and performance, replacing the very expensive, top-down system of performance management and inspection that was estimated to cost the taxpayer £1.5 billion a year. Taking the Lead, published in 2011, set out local government's approach to sector-led improvement and this was welcomed by the Government.

Over the last three years, councils have demonstrated they have been willing to take collective responsibility for the performance of the sector as a whole by collaborating, sharing good practice and providing robust peer challenge and support. As a consequence, with RSG funding, the sector has been able to establish and maintain a comprehensive, highly effective and extremely efficient programme of support.

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WHAT WE'VE DELIVERED

Between April 2011 and December 2013 some of our key deliverables include:

a) **Over 300 peer challenges of various types**

The corporate peer challenges are making a real difference to councils, supporting them to make the organisational changes they need to make

"It has changed the way the council works.....

We might have got there in the end but without the challenge team there would have been a longer period of muddle. We wouldn't have got there as quickly and the emphasis on change wouldn't have been as clear as it is now'.

Council Leader

Peer Challenges are also more efficient and better value for money than the old top-down inspection system that the Audit Commission led.

... perhaps the most important endorsement I can give the peer challenge is that it was nothing like CPA or CAA. We didn't feel that we were being inspected, rather that we had critical friends with us who wanted to put forward positive ideas for how we could improve.

We achieved as much as we have done through previous inspections but with about ten per cent of the effort

Council Chief Executive

b) **Trained and developed over 2,000 councillors**

Our support to develop councillors is outstanding. There is no other organisation able to provide the comprehensive support that we are able to offer.

"The Leadership Academy helped me gain a greater understanding and develop my local political leadership skills. The exposure to councillors from very diverse backgrounds and authorities was priceless."

Leader, Metropolitan Borough

Our programmes help to develop the new leaders needed in the future

"I had the confidence to go for the role as leader, feeling that I could step up and do the role. I may have had doubts without the Leadership Academy."

Leader, Metropolitan Borough Council

c) **Supported councils to make savings in excess of £400m.**

In areas such as Adult Social Care

"The support has helped us identify efficiency savings in learning disability services totalling £10.3m"

Director, County Council

And through renegotiating contracts

The LGA contracts negotiating expert with commercial acumen helped us to renegotiate our four largest contracts. This has enabled the council to realise an efficiency saving of £2.3 million against an initial target of £1 million.

District Council

d) **Recruited and trained almost 250 talented graduates for the sector**

Graduates bring energy, enthusiasm and intellect, demonstrating an ability to rise to a challenge and hit the ground running. The ngdp provides councils with national management trainees who have leadership potential, the capacity to modernise, challenge and improve services and service delivery.

"Every single graduate has been excellent and I'm a real believer in the scheme because the assessment process has brought us an excellent candidate every time and we've been spoilt for choice."

Unitary council

- e) Launched LG Inform a tool providing the most comprehensive set of comparable performance and finance data that is available to councils and the wider public.

“Wow. I now have an easy way of comparing what my council is doing with the rest of the country.”

Resident of a London Borough

- f) Supported councils to grow their local economies through a range of support

We greatly appreciate the support the LGA continue to provide through the Capital and Asset Pathfinder and One Public Estate Programmes. It has given us the opportunity to work with leading edge councils as well giving us a voice within central government

Director, County Council

- g) Continued to provide the national pay bargaining machinery for the sector as well as supporting councils addressing their workforce challenges.

The LGA’s role in co-ordinating national pay bargaining on our behalf has been hugely important during this period of pay restraint.

Council Leader

THE CASE FOR REVENUE SUPPORT GRANT

Revenue Support Grant enables councils to do things they would not be able to do on their own or things it would be costly for individual councils to undertake as they take steps to find further significant savings at the same time as developing new ways of working to serve the public better. It also enables us to put in place collaborative structures, systems, processes and relationships to the benefit of DCLG and the sector that would have proved far more costly had they been implemented independently by the Department or councils.

It attracts cash in kind from the sector

RSG also attracts additional resources from the sector. For example, by March 2014, it is estimated that more than 2,500 peer days will have been donated by councils to the Corporate Peer Challenge programme alone. This equates to millions of pounds worth of support and it is delivered by respected and highly experienced councillors, officers and experts from beyond local government.

It helps councils improve at a faster rate

Independent evaluation demonstrates that sector led improvement works:

- o Councils that underwent a peer challenge experienced an average yearly improvement in their CPA score for the years after the review that was more than 20% higher than the average yearly improvement for those councils that did not have a peer challenge.
- o Councils who have participated in our political leadership programmes experienced an 81% greater than average improvement than those councils that did not attend these programmes.
- o Councils that received mentoring from peers, on average saw an increase in their CPA scores of over 100% greater than those councils that received no mentoring support.

It has saved millions for the public purse

The investment of revenue support grant into sector led improvement has been a significant success. The previous top down performance management and inspection regime which has been dismantled by the current government was estimated to cost in the order of £1.5 billion a year. The government investment of around £25m a year into support programmes led by the LGA has helped to ensure that councils continue to deliver to a high level and there has been no need for DCLG to intervene in any individual authority. There are some high profile case studies which demonstrate the success of sector led improvement, including Wirral. Wirral was a council that was facing serious failings which under the previous regime would almost certainly have failed a corporate governance inspection and have led to the

government intervening, resulting in a significant additional cost to government. However, through the support from or co-ordinated by the LGA, Wirral has been turned around.

It repays itself over many times

The services that top-slice supports include programmes that help councils achieve savings many times more than the initial investment and helps to maintain front-line delivery for their communities.

For example:

a) **Adult Social Care Efficiency programme**

The LGA launched an Adult Social Care Efficiency programme in 2012. The programme incorporates 44 projects led by individual and groups of authorities, including one regional and one sub-regional project. The programme will support councils to deliver significant savings over the next two years.

Emerging findings indicate that efficiency savings in the first year were an average 5.7 per cent of the budget, with the modal (most frequently reported) saving being 7 per cent. The Councils are projecting a further saving of 5.7 per cent for 2013/14, 5.3 per cent for 2014/15 and 4.9 per cent for 2015/16 from participating in the programme. This equates to **additional savings of over £150m** as a direct result of the LGA support.

b) **Productivity experts**

The LGA Productivity Expert programme provides funding to councils to enable them to engage an expert in their field to provide the necessary skills and expertise to help deliver efficiency savings. Experts are currently working in **34 councils contributing to £52 million of efficiency savings** for these councils.

c) **Customer Led Transformation programme**

The LGA supported the Customer Led Transformation programme which provided support to 63 projects. The evaluation has found that the programme delivered, or **supported the delivery of over £331 million of financial benefit** to the public and public services. This includes savings directly from the projects of £65.1 million (comprising direct cashable savings, cost avoidance, targeted benefits uptake and income generation), projected savings (identified but not yet delivered during the project) of £46.2 million and the stimulation of wider transformation programmes totalling £219.7 million of benefits.

FIT WITH DCLG'S OWN VISION AND STRATEGIC OBJECTIVES

Our programme of support is fully aligned with DCLG's vision. We are supporting councils make the most of the freedom provided by DCLG removing burdens.

We are helping councils make the most efficient and effective use of their budgets to support public services in ways which meet the needs of local people and communities.

We are supporting councils to work with their partners both public and private sectors to focus on their priorities, helping to manage demand on services and reduce costs to society.

Finally, we see our support to help councils to shape places to become more resilient being vital.

EVALUATION OF SECTOR LED IMPROVEMENT

The evaluation of our sector-led improvement is running over a three year period until spring 2014, with the aim of understanding whether, in the context of reduced resources within the sector:

- a) the approach to sector-led improvement has the confidence of the sector and the Government, and the trust of the public.
- b) the sector has been able to strengthen local accountability
- c) the sector is adopting the sector-led improvement approach and continues to improve with a reduced burden of inspection, and in the absence of top down performance assessment
- d) the tools offered to the sector have had a positive impact on the sector's capacity to improve itself.

Our baseline report was published at the end of 2012. Its purpose was to establish an initial picture to provide the basis against which the latter stages of the evaluation will judge the extent to which sector-led improvement is succeeding. Over the last few months we have been carrying the second phase of this evaluation and whilst not all the research has been completed, we are able to provide some interim findings to support our case for continuing top-slice for 2015/16 and beyond. The evaluation has a number of strands and as well as on-line surveys it also includes in depth and independent analysis from Ipsos-Mori, Cardiff University and RCS.

Key findings to date include:

Local Government

Over 9 in10 (91%) of elected members and 97% of officers strongly agree or agree that their authority is making advances in driving improvement both up from a year before. .

The proportion of respondents that 'strongly agree' or 'agree' that local accountability is strong in my authority has increased to 85%.

Four-fifths of respondents (80%) are confident that the local government sector has the necessary skills and capacity to monitor its own performance and continuously improve.

The percentage of leaders and other 'frontbench' councillors agreeing that the LGA understand what councils need to help improve their service and organisational capacity has increased from 70% in 2012 to 79% in 2013.

The percentage of Leaders and other 'frontbench' councillors agreeing that the LGA helps set and drive improvement in local government sector has increased from 70% in 2012 to 80% in 2013.

There has been a significant increase in awareness of the sector-led improvement approach with 84% of heads of policy and performance having heard a lot or a moderate amount in 2013 compared to 59% in 2012.

Three quarters (75 per cent) agreed or strongly agreed that the approach to sector-led improvement is the right approach in the current context.

External Stakeholders including government and the remaining inspectorates

Sector led improvement as a concept is accepted and respondents in general feel comfortable and positive about the approach. There has been an increase in the awareness of sector led improvement amongst key stakeholders and respondents were more comfortable with SLI as an approach, compared to their counterparts in the baseline survey.

Most external stakeholders prefer sector led improvement to the previous performance and inspection regime. There is a general understanding that the approach is much preferred by local authorities, as they actively disliked being "supervised from afar". Furthermore, the supportive nature of SLI, as well as the way in which it encourages the sharing and dissemination of good practice, was praised.

Many external stakeholder felt sector led improvement benefited from complementing the natural learning processes of councils – it is an internal driver of change that therefore inspires longer-lasting and more sustainable improvement. In comparison, respondents echoed the opinions of the previous wave: they argue CPA was more about “pleasing” the external quality controllers rather than “improving”.

External stakeholders now feel that sector led improvement has been in place long enough for them to be able to offer a view about their confidence in the approach. Respondents were largely optimistic – of those who gave a confidence score, the numbers hovered around 3-4 out of 5.

Peer Challenge

Cardiff University have been independently evaluating the LGA peer challenge offer. They have produced two reports and their key findings are:

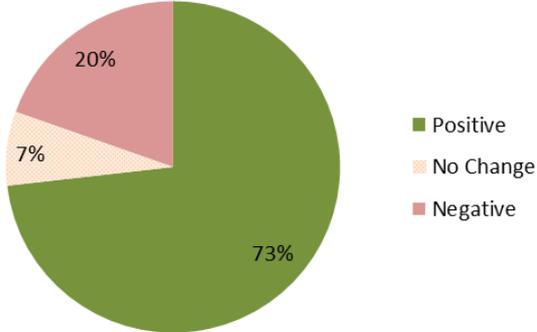
- a) Councils have been impressed with the knowledge and experience shown by peer challenge teams and the professional manner in which they conduct themselves. They particularly value the fact that team members understand the complexity of working in a political environment. This helps to give councils confidence in the process.
- b) Councils reported that the feedback and reports from CPC teams offer challenging, constructive and honest insight.
- c) Councils report that Corporate Peer Challenge has had a positive impact on their capacity to take responsibility for their own improvement. It encourages open and honest self-assessment and provides councillors, officers, staff, partners and communities with an independent review of a council’s strengths and weaknesses and the challenges it faces.
- d) The focus on the core components (setting priorities, financial resilience, effective leadership, governance and organisational capacity) is working well. More than two-thirds of survey respondents reported that CPC had led to improvements in the way their council was run.
- e) Peer Challenge has encouraged councils to agree clear priorities and to integrate strategic management with resource planning and supported councils in improving their medium financial planning, efficiency programmes, partnership working, performance management, and engagement with partners and local communities.

Impact on Council Performance

Our evaluation includes a quantitative assessment of sector performance over time by looking at the direction of travel of almost 100 indicators where data is available for 2007 and/or 2010 and now.

The figure below shows the direction of travel for these key metrics compared to 2010

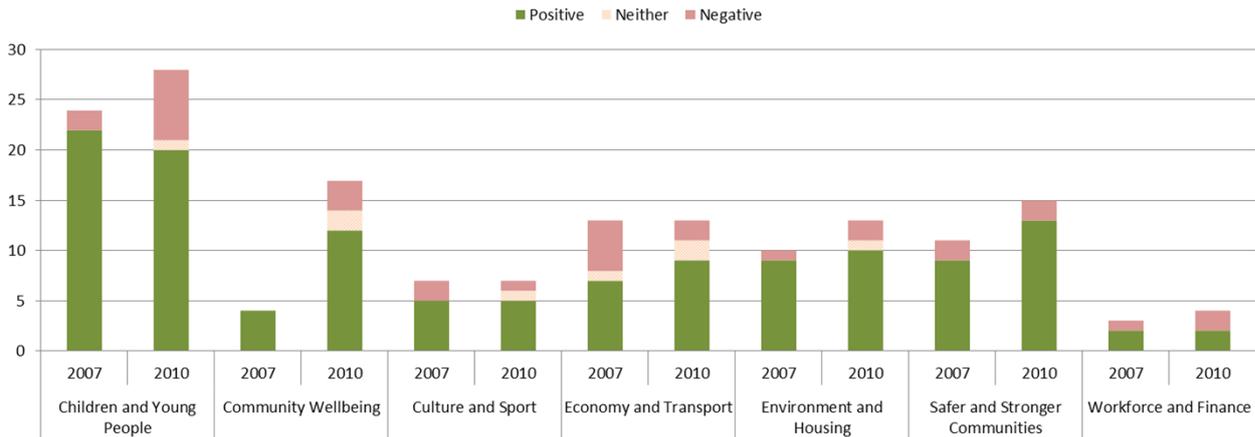
Figure 1: Direction of travel of all key metrics - most recent compared to 2010



Almost three quarters of metrics showed positive change, while only a fifth showed negative change.

Figure 2 provides an overview of sector performance over time by subject area, comparing the most recent period with 2010 and 2007. For each area it shows the number of metrics that have seen a positive change, negative change or no change since 2007 and since 2010. Generally for the two time periods the balance between positive and negative change has remained fairly consistent across most boards.

Figure 2: Direction of travel for key performance metrics by board most recent compared to 2010 and 2007



As Figure 2 shows, since 2010 there has been consistent positive direction of travel across the sector, with economy and transport, safer and stronger communities and environment and housing metrics all showing strong improvements.

2015/16 PROGRAMME

We are proposing to use RSG top-slice for five broad areas of work in 2015/16:

- Sector led improvement
- Efficiency and productivity
- Strong political leadership
- Strong local economies
- Transformation and Integration

These areas align with DCLG's strategic objectives and the priorities that local authorities have identified as important to them in meeting their priorities

RSG will have reduced from £41.3m in 2010/11 to £25.98m in 2014/15 – representing a reduction of 37%. Our bid for 2015/16 is for £23.798m which is a further reduction of 8.4%. The total reduction in real terms since 2010/11 will be in excess of 50%.

In spite of these reductions we are confident of being able to deliver a comprehensive and effective offer to councils representing value for money for the Government (particularly DCLG), councils and the taxpayer.

We will review the programme set out as part of our annual business planning process later in 2014 to ensure that our programme is providing the support that local government is looking for.

SECTOR LED IMPROVEMENT

There is now real momentum around sector led improvement. Challenge and support from one's peers lies at the heart of our approach. Councils will need to increasingly work with other partners from the public sector, private and from the community sectors to realise their ambitions for their communities. Over the year we will be refreshing our offer so it does just that. Our new co-ordinated offer combining corporate and service specific support will ensure that improvement support also focuses on councils who are looking to work with their partners around a placed based approach or to work with other councils.

Our offer to government is to

- a) help councils to continue to achieve the outcomes they set for their communities.
- b) ensure that the need for intervention by government of councils is kept to a minimum.
- c) support councils improve as measured by a basket of performance indicators commonly used by councils.
- d) support councils education, adult social care and safeguarding roles are delivered effectively, learning from best practice.
- e) help local government to continue to be the most transparent part of the public sector.

We will achieve this by

1. maintaining an overview of the performance of the sector and use this information to drive improvement in the overall performance of the sector.
2. managing the risk of significant underperformance at a service or corporate level in councils in order to minimise the number of councils that government need to consider intervening with.
3. delivering up to 100 peer challenges involving councillor and senior officer peers from the sector and other organisations including the voluntary and business sectors and from government departments, spending between 3 and 5 days in an authority challenging what the council is doing, identifying good practice and areas for improvement. The challenges will include:
 - a) tailored corporate peer challenges focusing on issues of leadership, corporate capacity and financial resilience;

- b) service specific peer challenges, particularly on safeguarding, adults and health; and
 - c) place based peer challenges
4. providing tailored support to individual councils and groups of councils, especially councils with the most severe performance challenges. This will include bespoke support to at least 40 councils each year.
 5. supporting at least 15 councils to manage and resolve relationship difficulties between Chief Executives and Leaders to ensure these councils continue to deliver the outcomes they are seeking for their communities.
 6. holding regular meetings between LGA Principal Advisors and all councils, making use of data and intelligence to assess any risks, as well as supporting the sharing of good practice and expertise across local government.
 7. holding regular meetings with CLG and government departments to provide opportunities for government to share information and concerns so that sector led improvement continues to be a success.
 8. developing our programme associated with sharing best practice so that councils who are finding new and effective ways of working to secure outcomes for their communities at significantly less cost share and support others to do likewise.
 9. co-ordinating 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
 10. delivering a safeguarding adults programme to support councils in their lead roles including peer challenge, leadership support for lead members and capturing innovative practice to share with others through events and on-line resources
 11. providing free access to councils and the public of transparent and comparable performance information through LG Inform, our on-line data and benchmarking service, enabling the comparison and analysis of performance and thereby enhancing local accountability of councils.
 12. providing direct support to at least 20 councils in developing scrutiny skills and expertise, holding both local government and other parts of the public sector to account as democratically elected local representatives.
 13. providing support to councils to enable them to continue to be the most transparent part of the public sector.

14. working with and supporting sub-national groupings of councils and member/officer networks to implement our approach to sector led improvement. In particular this will include supporting lead member networks on key service and corporate issues.

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EFFICIENCY AND PRODUCTIVITY

Providing value for money and improving the efficiency and effectiveness of councils is as important today as it's ever been. Over the last three years councils have made great strides to reduce costs whilst maintaining the quality of service delivery.

Our efficiency and productivity programme will ensure that local government continues to be the most efficient part of the public sector.

Our offer to government is to

- a) support councils to continue to achieve value for money for the outcomes they set for their communities.
- b) help councils to continue to become more productive through a range of programmes of support
- c) support councils to ensure they are effectively managing their finances and making informed spending decisions.
- c) support councils to share services and management teams with each other and with other public sector organisations.
- d) support councils to adopt a more demand management approach to help them better manage different types of demand.

We will achieve this by:

1. developing more opportunities for councils to enter into collaborative procurement opportunities in areas such as information technology, construction and energy, banking and insurance services saving councils at least £10m a year.
2. providing a cost effective way for councils to procure their external audit service by establishing an independent body to oversee national procurement of external audit.
3. providing a productivity expert to work with at least 20 councils to provide them with the skills and expertise required to enable them to realise efficiency savings, saving the councils in total at least £25m.
4. continuing to support the Adult Social Care Efficiency authorities who focused on health and social care integration to measure the productivity and efficiency gains of integration across the whole system. Our support will help councils achieve savings in excess of £150m and outputs will include peer support networks, case study material, tools, reports and showcase events..

5. supporting at least 5 councils to pilot new ways of delivering learning disability services more efficiently with a view to sharing the learning nationally via reports, national events, case study material and networking. This programme will aim to save councils a total of £5m
6. working with at least 25 councils to increase efficiency from their recycling contracts. We will aim to ensure that those councils who are making a loss on recycling disposal is turned into generating a profit. .
7. providing bespoke political and officer support for at least 50 individual authorities helping them to address financial sustainability; integrated budgets, management of risk and new delivery models.
8. providing a “matchmaking service” for councils who wish to share services and/or management teams with other councils or with other public services.
9. capturing and promoting good practice in shared services and shared management arrangements, through our interactive web-based map and also providing bespoke political and managerial support to councils wishing to share a chief executive and senior management arrangements.
10. providing a practical guide, to help councils better identify the causes and triggers of demand to help them use this insight to better manage demand across key services in the future. This will be supported by a series of workshops and open days where councils will share their approach in detail.
11. capturing examples and highlighting good practice of councils using technology and digital tools to improve services and deliver efficiencies.

STRONG POLITICAL LEADERSHIP

Effective political leadership has always been at the heart of effective democracy, and the LGA remains committed to supporting and developing the councillors on whose shoulders this rests.

We know that local government is only ever as vibrant, effective and relevant as the people elected to run it. So we have a duty to support and challenge the politicians of today to be the best leaders they can and to encourage and talent spot the best leaders for the future. Our leadership offer aims to do just that.

Our offer to government is to

- a) provide development programmes and direct support to improve the skills of councillors across local government.
- b) provide support that is not only relevant, ambitious and flexible enough to respond to the changing local government agenda but that also offers value for money for councils and places they serve.
- c) provide national development opportunities we know local politicians really value, with renewed vigour and refreshed content to reflect the challenges facing the sector.
- d) support new talent into the sector both councillors and graduates.

We will achieve this by

1. providing development opportunities for at least 500 councillors with leadership roles in their councils – including those in opposition – through our newly refreshed suite of leadership programmes
2. supporting at least 100 ambitious and talented councillors with the potential to progress in their political careers through our highly acclaimed Next generation programme.
3. supporting up to 100 leaders and chief executives through our Leading Edge programme providing them with the opportunity to work together on developing their leadership roles, exploring new ways of working and new models of service delivery, in particular focusing on dealing with the financial challenges facing local government and the public sector more generally.
4. helping councils, political groups and the national parties attract new talent to get involved in civic life through our Be a Councillor programme.

5. providing member peer support for councils where there has been a change of political control, particularly for new leaders and portfolio holders.
6. providing new e-learning opportunities for all councillors particular in relation to induction and community leadership skills.
7. recruiting up to 100 high calibre graduates in to local government, working with councils to secure interesting and challenging placements for them through a two year management development programme as the basis for a successful leadership career in local government, linking with graduate recruitment across the rest of the public sector.

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STRONG LOCAL ECONOMIES

Councils have a key role to play in driving economic growth and creating new employment opportunities for their communities. Councils also have a leading role working with others on providing the infrastructure needed to create the conditions for growth, including new housing and maximising the use of public sector assets.

Councils' planning and development decisions are also important levers to deliver growth and we will work with the Planning Advisory Service to provide the necessary support for councils.

Our offer to government is to

- a) support councils to help them develop and deliver their growth plans
- b) support councillors to work across council boundaries with LEP's and partners to deliver growth across council boundaries
- c) support councils make strategic decisions about the public sector land and assets in their locality to deliver jobs, homes and savings to the overall public purse.

We will achieve this by

1. providing tailored support for at least 50 councils in delivering growth plans including working with LEP's and, making use of EU funds, business engagement, and encouraging inward investment
2. providing bespoke leadership support for elected members through a range of events, toolkits and development programmes.
3. supporting at least 50 councils, through our Economic Growth Advisor programme, to build the economic capacity of their area and thereby help improve its economic future. Each local area will be provided with up to fourteen days expert help to progress local economic growth initiatives.
4. supporting consortiums of councils to access significant development funds for developing housing in their areas through the creation of new housing investment partnership models. This programme will seek to help councils build 5,000 homes by 2020.
5. supporting up to 25 councils to develop the skills and employment opportunities for over 100 young people through a series of national events for young apprentices.

6. working with the Cabinet Office we will extend our One Public Estate programme to cover all local authorities, helping the public sector including central government make more efficient use of their land and create employment opportunities.
7. producing on-line tools and information, and peer support direct to councils, including delivering tailored Open for Growth peer challenges.
8. supporting council's to reduce red tape for businesses and exploring the development of a new cadre of regulatory services officer that combines trading standards and environmental health.
9. providing support to councils to manage severe weather outbreaks, floods and other emergencies through a programme of national events to share good practice.
10. supporting at least 15 councils to maximise the contribution of culture and sport to growth and re-vitalising communities by a programme of leadership support and challenge.
11. helping Councils as employers support their local economy through promoting good employment practices from the sector on helping apprentices, interns and NEETS into work. This will include:
 - a) creating and maintaining a network of at least 100 councils sharing advice and practice on using social clauses on employment and skills in procurement;
 - b) working with DWP and business partners to promote a national campaign to tackle local youth unemployment through apprenticeships, internships, and graduate placements.
12. providing commercial advice and support on matters of legal and contractual complexity in a range of services through our support to Local Partnerships.

TRANSFORMATION AND INTEGRATION

To deliver the outcomes councillors are seeking for their communities, now more than ever before councils will need to transform their services and work with others. This will include continuing to put citizens first, integrating service delivery at the local level with other councils and with other public sector bodies including health and central government. It also requires councils to be even more innovative and look at more ways of managing demand and changing cultures and behaviours. We will support councils on that journey.

We will also look to direct our efforts to support councils implement their plans that are being supported by central government through programmes such as the Transformation Challenge Fund and the Pioneers programme.

Our offer to government is to

- a) support councils to transform their services, putting their residents first.
- b) support councils, other public sector partners, private and the voluntary sectors to work together including integrating services to deliver more cost effective outcome based services
- c) help councils to identify and implement innovative ways of transforming their service to deliver better outcomes and manage demand.
- d) deliver national negotiations on pay and support councils to transform their workforces.

We will achieve this by

1. continuing to support councils taking forward whole place work, including working directly with at least 15 councils awarded resources through the Transformation Challenge Fund to support them taking their proposals forward through a new programme of facilitated workshops between partners as well as experts to direct change where needed. We will also run a number of national events and other forms of information sharing to support fundamental changes to the way local services are funded and organised.
2. providing support to at least 10 councils to develop a more commercial approach to their activities to deliver services differently in the future including help in accessing social finance and greater collaboration with the private and third sectors.

3. providing support to at least 15 councils with implementing new models of service delivery and innovative responses to the future financial constraint facing the sector including demand management, exploiting commercial opportunities and new approaches to commissioning.
4. continuing to roll out the Commissioning Academy with the support of the Cabinet Office, ensuring that at least 100 senior council officers attend with a similar number from other parts of the public sector each year.
5. supporting councils in ensuring that all health and social care services are consistently co-ordinated around the needs and wishes of the individual with an approach that supports the whole community, by focusing on commissioning which directs resources where they can have the greatest impact on the health and well being of local communities. This will include helping the Pioneer councils take forward their plans.
6. ensuring that councils are making an effective contribution to the public health system, particularly in the delivery of their commissioning responsibilities for 0-5 year olds from 2015.
7. providing a new support offer to assist district councils to engage better in the public health system. This will include on-line resources and events to share good practice.
8. supporting a new crime reduction programme providing opportunities for 10 councils and the police to work together more effectively on reducing crime in key areas including domestic violence.
9. facilitating and promoting new forms of collaboration between the emergency services including the creation of on-line tools to support local partners to transform the local workforce.
10. delivering new forms of leadership support to ensure that fire authority members are equipped to continue to take forward the key recommendations from the Knight review.
11. delivering cost-effective pay settlements for authorities which maximise the return on workforce costs, thereby avoiding the duplication of effort across several hundred employers
12. providing sector specific advice on a range of employee relations, pensions including employment law and job evaluation
13. supporting councils in addressing immediate and future strategic workshop challenges in areas such as organisational restructuring, reward systems, mutuals, social enterprises and employee engagement

14. rolling out to a further 15 councils our tool to help councils to review and reduce their layers and spans of control as a way of reducing their costs.
15. making available to all councils an organisational redesign tool that improves management effectiveness and helps councils reduce their workforce costs by improving their management structures and capability, creating the right local reward packages, managing poor performance better, reducing sickness absence, developing skills and increasing productivity.
16. working with central Government and national partners to develop the workforce changes associated with public sector reform and supporting councils to adopt the new ways of working. This will include the development of a new recruitment and retention tool in the field of social work and continuing to support councils to manage the integration of health and social care employees.
17. creating and delivering an employee engagement tool to support councils to develop management practices, processes and behaviours to create and sustain high performing workplaces
18. working with the relevant sector skills councils support councils to develop a workforce capable of leading and adapting public sector and local government service. This will include a new programme supporting at least 15 councils to become more commercial in their approach.

RSG BUDGET 2015/16

Resources for the LGA's improvement work continue to be held by the IDeA company, although the operations of the LGA and its associated companies are now fully integrated under one management structure. Therefore, the LGA's budget operates at two levels:

- a) firstly, at the Group level combining all the LGA expenditure and income including revenue support grant, memberships and specific grants
- b) secondly, revenue support grant income and expenditure is separately accounted for through the IDeA company board.

This allows the revenue support grant services to benefit from sharing management, back office and other costs with the rest of the LGA.

The budget set out below set out how the LGA is planning to make use of the revenue support grant only in 2015/16

Budget tables to be inserted

DELIVERY OPTIONS

The business plan for 2015/16 will be delivered through a combination of in-house staff and commissioned services with the private sector. We will also look to work with mutuals, social enterprises and others where appropriate.

However, what is unique about the way we deliver services is the extent to which we make use of peers - both members and officers from local authorities across the country in both the design and delivery of the services.

We have expanded this concept in recent years so that our pool of accredited peers also includes individuals from other parts of the health sector including central government, health bodies, the police as well as voluntary and community sector representatives and people from the business community.

This ensures that local authorities are able to learn from the best in the sector. It also provides fantastic learning and development opportunities for the peers, who take learning back to their organisations to help them improve too.

We are also uniquely placed to take on more grant funded programmes for other government departments. We have an excellent track record of delivery in this area and because we have in place national platforms of delivery such as our leadership programmes and our peer challenge programme we are able to adapt them for other service areas. In addition as the national sector led body we have the intelligence about the sector and the ability to influence it that enables us to make the connections between government policy and implementation at the local level.

MATCHED RESOURCES

As mentioned above, the programme of work makes use of significant resources from the sector in the form of officer and member peers who are used to provide direct support to councils and who make up the peer challenge teams.

Our pool of officer and member peers who we draw upon totals over 700 and it is estimated that the total contribution in kind for this programme from peers and councils is in excess of £5m just for our peer challenge programme.

The productivity programmes all involve contributions in kind from councils themselves which we estimate will total in excess of £1m in 2015/16.

Member and officer peers are used to support many of the leadership programmes and it is estimated that contributions in kind from peers and member councils total in excess of £250,000.

EFFICIENCIES ACHIEVED

We continue to drive out efficiencies in the way we manage and deliver our programmes. As highlighted earlier the level of revenue support grant has reduced in real terms by over 50%. Some examples of the efficiencies we have achieved over the last two years are set out below.

2012/13

1. Rationalisation of use of office space, with all employees and back office services accommodated within Local Government House, enabling us to realise annual income of £1.1 million from renting out Layden House to external tenants
2. Rationalisation of the company structure of the former specified bodies, with the closure of the LGE and LACORS companies and changes to the IDeA board arrangements, realising efficiency savings of £100k per annum.
3. Reduction in Print & Design and Catering costs of £200k per annum through closer management of demand.

2013/14

1. Streamlining of delivery of the LGA's improvement programmes resulting in annual savings of £500k in programme costs, as part of an organisational transformation programme.
2. Efficiencies in finance and HR back office costs - £100k per annum
3. Efficiencies in facilities management, including reduction in overnight office opening hours and scaling back of on-site support - £150k per annum
4. ICT efficiencies including changes to homeworker ICT arrangements, move to remote ICT support and website efficiencies - £270k per annum.

Efficiencies to be achieved 2014/15

1. As part of the organisational transformation programme identified above, rationalisation of the staffing arrangements for the LGA's improvement programmes achieving annual savings of £580k.
2. Partnership with Liberata agreed for them to deliver the Knowledge Hub under new commercial arrangements, delivering annual savings of £550k
3. Introduction of a new conferences and events booking system, to achieve administrative savings of £100k per annum.

Efficiencies to be achieved 2015/16

1. Further savings in back office costs, linked to reductions in variable costs – target £200k per annum
2. Reduction in ICT costs as a result of more flexible use of devices with full implementation of our Bring Your Own Device policy - £250k per annum
3. Further rationalisation of office space resulting in increased rental income for Local Government House of £250k per annum.

DRAFT

PROJECT AND PROGRAMME MANAGEMENT

The overall programme is strategically managed by the LGA Leadership team/Board acting in its capacity as the IDeA Board but with the addition of two independent members and the Chairman of the LGA's Improvement and Innovation Board. The Board agrees and monitors the overall budget and business plan. A strong performance framework is in place to review the impact of our work and our delivery against the priorities in the business plan through robust performance management including regular reports to members of the Board.

The performance framework includes:

- a) a progress report on achieving the outcomes in the business plan with information on the key milestones and deliverables for each area of work submitted to the Board every quarter
- b) management accounts summarising the overall financial performance of the LGA and its associated companies
- c) a report on performance against our Corporate Health Indicators, to enable us to review our own efficiency and effectiveness
- d) a strategic risk register, which is regularly reviewed and updated by the Strategic Management Team and reported to the Board.