

## Report

# Sector-led improvement update

November 2017

### Programme delivery 2017/18

### Programme development 2018/19

This paper reports to the sector on how the Local Government Association (LGA) has used Department for Communities and Local Government (DCLG) grant for 2017/18 to help councils and to support improvement in the sector.

The report also provides a final opportunity to submit views on the shape of the support programme for 2018/19.

## Introduction

Sector-led improvement is the approach that councils and the LGA have put in place to support continuous improvement. It is based on what we have learnt works – strong political and managerial leadership, challenge and support from one's peers, the ability to benchmark performance with others through the use of comparable data, practical support around productivity and efficiency plus the sharing and spreading of good practice.

The LGA facilitates this approach with councils.

- We have continued to use DCLG grant to enable councils to do things they would not be able to do on their own, such as our comparative data tool, LG Inform, or work it would be costly for individual councils to undertake at a time when they need to continue to find further significant savings whilst also delivering improved services.
- We help share learning and expertise across local government. Sector-led improvement is effective because it is essentially a peer based model of improvement. Many of the challenges individual councils face have been confronted elsewhere and because of our broad and on-going engagement with the sector we are able to signpost councils to the experience and expertise they need and mobilise that support.
- We are able to spot emerging challenges and ensure appropriate support is available when and where it is needed due to our expertise and knowledge about local government and its key issues.

Funding to support sector-led improvement has reduced from £41.3 million in 2010/11 to £21.0 million in 2017/18 – representing a reduction in real terms of approximately 60 per cent. In spite of these reductions we have continued to deliver a comprehensive and effective offer to councils, representing value for money for Government, DCLG, councils and the taxpayer.

Our support offer is summarized here

[www.local.gov.uk/our-support/our-improvement-offer](http://www.local.gov.uk/our-support/our-improvement-offer)

## Programme delivery in 2017/18

Up until 2016/17 the improvement work of the LGA was funded through a top-slice of the revenue support grant allocated to local authorities. 2016/17 marked a change from revenue support grant top-slice to a direct DCLG grant. The programme of improvement support for local government is set out in a detailed Memorandum of Understanding (MOU) agreed between the LGA and DCLG. This agreement is for one year only.

The MOU for 2017/18 is based around four themes:

- programmes to support effective political and managerial leadership
- peer challenge and peer support/mentoring
- practical support to help councils make efficiency savings, transform services and generate income
- helping councils deliver core outcomes (e.g. strong local economies, increased housing supply, strengthening community cohesion, etc) working with other public sector partners.

Each theme sets out a number of specific deliverables. DCLG and LGA/IDeA officials meet on a quarterly basis to review progress on the basis of quarterly performance reports provided by the IDeA.

The themes are summarised below, including progress against some key deliverables as of 30 September 2017:

### **Strong political and senior officer leadership**

The LGA's political leadership programme provides direct support to improve the skills of councillors across local government. The programme includes our Leadership Academy and Leadership Essentials programmes which this year will provide development opportunities for over 700 councillors. We also run the Next Generation and 'Be a Councillor' programmes. Whilst the focus is on councillor development we also deliver our national graduate development programme (NGDP) and new senior officer development programmes with SOLACE. Also new to the programme this year is a programme of secondment opportunities between central and local government. This theme includes our workforce support and all the machinery associated with the pay negotiations.

We have, for example:

- encouraged over 700 councillors to attend or book onto our 2017/18 leadership programmes by the end of September
- recruited 65 participants to the next generation programme aimed at talented councillors across the political parties
- launched new programmes to support the leadership development of managers in councils, in partnership with SOLACE
- developed, with the sector, a programme of work to help councils prepare for the workforce implications of the digitisation of services and automation of jobs.

During 2016/17 we undertook an evaluation of the political leadership programmes which demonstrated that 96 per cent of responding participants felt more confident in their role as a councillor either 'to a great extent' or 'to a moderate extent', having participated in the leadership programmes. Feedback from participants during the first half of this financial year is similarly positive. All the delegates that attended our Leadership Essentials courses this autumn (those in leadership positions, such as cabinet members and committee chairs) and who responded to our survey said they felt more confident in their ability to carry out their role, having participated in the course.

*“Very practical throughout and inspiring - lots of tips to take back and put in place.”* (Cabinet Member, London Borough)

*“Another great course. I learnt a lot.”* (Committee chair, County Council)

In terms of impact, feedback from our recent survey of participants from the Leaders Programme, which completed in December 2016, is similarly positive:

*“I have learnt about new and different ways of working that have helped me in difficult circumstances as well as given me a new depth of experience that has improved the way I lead.”* (Leader, Unitary Authority).

## **Peer support and challenge**

This is the theme under which the vast majority of our peer support and peer challenge work is covered. A tiered approach to the peer based model has been introduced, recognising that whilst most support offers will be universal some councils will sometimes face more significant challenges and will require a more bespoke package. There is also an expectation that every local authority will have a corporate peer challenge or finance peer review (at no cost) at least every four to five years.

We have for example:

- delivered 35 peer challenges by the end of September with an additional 54 confirmed to take place by the end of the financial year and a further 23 in discussion
- provided tailored support through the use of member and officer peers to 41 authorities and service based support to 24 councils
- continued to provide intensive support to councils facing the most severe challenges.

Feedback from leaders and chief executives of authorities that received a Corporate Peer Challenge (CPC) in the first half of this year has been very positive. All respondents were very or fairly satisfied with the corporate peer challenge their council received and reported that their confidence about their council delivering its priorities had increased as a result.

*“The fact that the review teams are made up by people who know the business of local government is a huge benefit. It means that they can offer accurate insight quickly and make recommendations that are very likely to enable the council to improve effectively.”* (Chief Executive, Unitary Council)

*“The whole team that came exuded experience and professionalism. They were very honest, pragmatic, challenging and fair so that their report and feedback was balanced and robust and had total credibility.”* (Chief Executive, District Council)

Feedback from leaders and chief executives of authorities that received a Corporate Peer Challenge in the first half of last year illustrates the positive impact peer challenges can have. Ninety three per cent of respondents said that the CPC had a positive impact on their council’s performance and on the delivery of their council’s priorities.

*“The findings have been used to influence major pieces of work, such as culture and change, and strategic planning. We reported explicitly our actions in response to the review and have regularly revisited and refreshed using insight from the Peer Review. We have used it both to pay credit for progress made and to stretch our ambition and challenge the way we do things.”* (Chief Executive, Met District Council)

*“The Peer Review helped the Executive to understand the need to focus more. That then helped senior officers to revise the council's overall strategy making it lean and focused. This*

*will then have a golden thread impact on the council. It also helped us to have a meaningful discussion on what the Executive meant by "commercialism."* (Chief Executive, District Council)

## **Efficiency and productivity**

Increasingly councils are looking to the LGA for support in managing their costs and demand pressures. Our efficiency and productivity programme provides a range of support to help councils in these areas ranging from the creation of procurement frameworks through to the use of productivity experts, providing tailored support such as renegotiating contracts with suppliers. This year's programme is estimated to help councils save up to £65 million. In addition, we provide LG Inform, our benchmarking tool, work on innovation, digital and data issues, as well as support to Local Partnerships. New to the programme this year is a stream of work to support councils' resilience to cyber attack.

We have, for example:

- launched our commercial skills training offer with the Institute of Directors and deployed commercial experts to work with four councils, contributing towards an estimated £7.9 million additional income
- opened applications for the third phase of our Behavioural Insights programme to help authorities pursue new and ambitious behavioural insight projects and draw out the lessons for the sector
- deployed productivity experts in fifteen councils with estimated total efficiency savings of almost £26 million
- Through Local Partnerships we are working with 12 councils and are in early discussions with a further 24, on energy efficiency programmes – likely to generate estimated savings circa £2 million.

In addition during the first half of this financial year LG Inform received its one millionth hit. LG Inform is the LGA's publically available on-line data comparison tool, which brings together in one accessible place a range of key performance data about authorities, alongside contextual and financial information. Users can access a data base with over 5,400 metrics and make comparisons between their authority and other councils or groups of councils. Since April there have been 33,237 visits making 128,985 page views in LG Inform. The database is maintained daily and typically each month 3,000 updates are made to ensure the data is current. We have also added new ready-made reports for users and work has started with DCLG on an integration/ community cohesion report which it is hoped will be launched alongside DCLG's Integration Strategy. We have now launched LG Inform value for money profiles bringing together data about the costs, performance and activity of local councils and fire and rescue authorities.

*"I was blown away by the amount of data on the site and all the different ways you could compare data and present it. I was particularly impressed with the report writing tool – especially the automatic update feature every time data is refreshed – this will save a whole load of time and resources!"* (Officer, Met District Council)

## **Strong communities with excellent public services**

The LGA provides support on devolution and works with councils on a range of other thematic or service specific issues including improvement support for flooding, housing and community cohesion.

We have, for example:

- coordinated the combined authority chief executives network, provided a range of national level support plus more tailored support to specific areas on devolution

- launched the Housing Advisers programme providing expert advice and support to help councils with specific housing challenges, drawing out lessons for the sector
- commissioned the development of a national database of taxi and PHV licence refusals and revocations and launched our updated [handbook](#) to provide best practice in taxi licensing
- developed a programme of support for councils around community cohesion.

## Outcomes and Impact

The programme of sector-led improvement support set out in the MoU is designed to support effective leadership in councils and their communities, help councils maintain the momentum around continuous improvement and the delivery of high quality, value for money services and above all, support the creation of strong and prosperous communities.

We have an ongoing programme to evaluate the effectiveness and impact of this approach to improvement. The evaluation demonstrates, in summary, that:

- councils are continuing to improve performance
- residents remained satisfied with and continue to trust their local council
- we have mitigated the need for DCLG to use their formal intervention powers
- councils continue to value the support the LGA is making available and report it has been helpful to their improvement journey.

### **Councils are continuing to improve performance**

As part of the ongoing evaluation the LGA undertakes a regular quantitative assessment of sector performance and how this has changed since 2009/10. For the latest research report, published in May 2017, a basket of 84 indicators commonly used by councils to assess their own performance across a spectrum of themes (e.g. children and young people, community wellbeing, safer communities, etc) was analysed in order to provide a broad overview of performance. The analysis found that just over two thirds (67 per cent) of indicators had seen an improvement, 11 per cent had not changed and 23 per cent had worsened. This is a considerable achievement given the scale of the budgetary constraints being experienced. (See “Evaluation of sector led improvement: data analysis report” May 2017).

[www.local.gov.uk/evaluation-sector-led-improvement-data-analysis-report-may-2017](http://www.local.gov.uk/evaluation-sector-led-improvement-data-analysis-report-may-2017)

### **Residents remain satisfied with and continue to trust their local council**

As part of the ongoing evaluation the LGA regularly polls resident satisfaction with local councils. 17 rounds of polling have been undertaken since September 2012. The latest polling report was published in August 2017 and found that:

- 60 per cent of respondents said they trusted their council either ‘a great deal’ or ‘a fair amount’. This compares very favourably with other levels of government;
- 66 per cent of respondents were satisfied with the way their council runs things – a similar level to that observed over the last three years.

[www.local.gov.uk/polling-resident-satisfaction-councils-august-2017](http://www.local.gov.uk/polling-resident-satisfaction-councils-august-2017)

**Mitigated the need for DCLG to use their formal intervention powers** and ensured effective arrangements exist to support recovery and improvement where necessary.

As part of the approach to improvement the LGA maintains an overview of the performance of the sector so that it can spot councils facing potential performance challenges and offer support on a proactive basis. In practice intervention has been kept to a minimum and the Secretary of State has only felt it necessary to use formal intervention powers in three councils in recent years – Doncaster, Rotherham and Tower Hamlets. Powers are progressively being returned to Rotherham and Tower Hamlets and DCLG Commissioners left Tower Hamlets earlier this year. Whilst not in formal DCLG intervention we have also been working in Birmingham City Council (e.g. running a comprehensive member development programme and assisting the appointment of the current Chief Executive) and

more recently in the Royal Borough of Kensington and Chelsea where we have seconded staff to help the authority respond in the aftermath of the Grenfell fire.

**Councils continue to value the support the LGA is making available and report it has been helpful to their improvement journey.**

87 per cent of leaders and chief executives responding to the LGA Perceptions Survey 2016/17 say support from the LGA has a positive impact on their authority.

[www.local.gov.uk/our-support/research/research-publications/lga-perceptions-surveys](http://www.local.gov.uk/our-support/research/research-publications/lga-perceptions-surveys)

Finally, the sector's commitment to the approach is evidenced by take up of the support offer and the contribution of peer days. Since 2011 councils have contributed more than 15,000 days of senior councillor and officer time to peer challenges, representing a considerable investment by the sector in its own improvement.

## Programme Priorities for 18/19 onwards

The programme of support outlined in the MoU is developed collaboratively with the sector and reflects the sector's support needs. We have embarked on an extensive range of discussions with the sector and our thinking about the shape of the programme for 18/19 is now well advanced.

Feedback from local authorities about the key offers continues to be very positive. Peer challenge and support; the leadership work developing councillors, together with specific support to help councils deliver savings, are all still highly thought of and considered to be the core of any improvement offer going forward.

In addition councils have suggested that there is a need to develop offers that help councils strengthen their emergency planning and resilience preparations in the light of Grenfell. The high level of demand for our new Housing and managerial leadership offers would also tend to suggest there would be value in expanding them in 2018/19.

There is still time to contribute to the final programme for 2018/19 and we would welcome any specific suggestions you have, based on the challenges you expect to be facing locally.

Please send your views to [nick.easton@local.gov.uk](mailto:nick.easton@local.gov.uk) by 18 December 2017.

### Further information

To find out more about our services or to discuss any support you may need please contact your LGA principal adviser.

[www.local.gov.uk/our-support/lga-principal-advisers](http://www.local.gov.uk/our-support/lga-principal-advisers)