

MEMORANDUM OF UNDERSTANDING
Between the Ministry of Housing, Communities and Local
Government and the Improvement and Development
Agency
regarding the provision of support and assistance to the
local government sector

Grant Funding 2018-19

Introduction

1. This Memorandum of Understanding sets out the agreement between the Ministry of Housing, Communities and Local Government (MHCLG) and the Improvement and Development Agency (IDeA) for the package of sector-led support to be funded through grant from MHCLG. Whilst the agreement is with the IDeA, the Local Government Association (LGA) is the parent body and will lead on some issues. The purpose of the support programme is to help local authorities to continue to improve and reform, by building the capacity and capability of the sector to enhance its effectiveness and resilience. The MoU provides for a strong, comprehensive and effective package of support for the local government sector. Elements of the package should deliver measurable improvements (e.g. financial savings arising from the Productivity Expert offer) and the package as a whole high levels of confirmation from council Leaders and Chief Executives that the package provides the sector the support it needs. The IDeA will remain responsive to feedback and ensure that all training and support is assessed to ensure that it remains relevant and effective. The outcomes of this programme of work alongside assessments of senior leadership satisfaction will be assessed through a rigorous and objective programme evaluation.
2. It is important to have in place the most effective arrangements to help local authorities across the country to continue to improve and reform. Local authorities have a right to expect that the services designed to support them are the best they can be, provide the support they need and provide best value for money.

PART A

3. The Department is committed to working in partnership with the Local Government sector to support local authorities to meet the challenges they face. This MoU builds on support work undertaken in previous years by the IDeA and has been refreshed to ensure that it is focussed on areas that meet the needs of the sector and future challenges. The guiding principles for sector-led improvement are:
 - (i) councils are responsible for their own performance and improvement and for leading the delivery of improved outcomes for local people in their area;

- (ii) councils are primarily accountable to local communities and stronger accountability through increased transparency helps local people drive further improvement;
- (iii) councils have a collective responsibility for the performance of the sector as a whole; and
- (iv) the role of the LGA is to maintain an overview of the performance of the local government sector in order to identify potential performance challenges and opportunities, and to provide tools and support to help councils take advantage of the approach.

A programme developed collaboratively with the Sector

4. The programme of support has been developed in consultation with local authorities and agreed by the IDeA's Board and the Secretary of State for MHCLG. The LGA has engaged in an extensive programme of engagement with the sector about potential support needs and improvement priorities for 2018/19. Feedback from the sector continues to be very positive. Peer challenge and support; the leadership work developing councillors together with specific support to help councils to deliver savings are all still highly thought of and are at the core of the improvement offer for 2018/19.
5. The LGA will also work with the sector to anticipate and respond effectively to new opportunities and challenges and continuously develop and adapt its support package to reflect changing needs and opportunities for improvement.
6. MHCLG and LGA/IDeA agree about the effectiveness and desirability of an approach to local government improvement that is led by the sector - which this MoU supports. Integral to the specific strands outlined here (such as political leadership, peer challenge, efficiency and productivity, etc.) is the commitment to draw out, share and promote good and innovative practice.

A programme based on what works for improvement

7. The programme of support is based on what the sector has learnt from experience over a number of years, works for improvement. That is: strong political and managerial leadership, challenge from one's peers, the ability to benchmark performance with others through the use of comparable data, practical support around productivity and efficiency through service improvement and transformation, plus the sharing and spreading of good practice. Many of the challenges individual councils face have been confronted elsewhere and because of the LGA's broad and on-going engagement with the sector it is able to identify and mobilise the experience and expertise they need and signpost good practice.

A programme benefiting a full spread and diversity of Local Authorities

8. Improvement support delivered in accordance with the programme of sector improvement support set out in **Annex A1** will be available to all local authorities, whether or not they are members of the LGA. The IDeA will track and monitor the programme to ensure that support is being taken up by members and non-members alike and to demonstrate take up by local authorities from different UK regions, authorities of various political control, and those of varying authority type.
9. This document sets out the terms overseeing the provision and accounting of grant funding in 2018/19 in order to enable the delivery of this support package. This will be accompanied by robust scrutiny to ensure that the grant spent by the Improvement and Development Agency is spent appropriately and on providing direct support to local authorities.
10. The Improvement and Development Agency seeks to be an exemplar and leader for the sector and holds itself accountable to the same standards and requirements for value for money as is expected of local authorities who deliver frontline services. The Department will provide regular, high quality monitoring and scrutiny to enable the Improvement and Development agency to achieve this ambition. Both the IDeA and the bodies it passes grant to, to help deliver the improvement programme, are expected to be transparent about how they have spent the grant and the services they deliver to support local authorities.

A programme delivered by working with other organisations

11. Both MHCLG and the IDeA agree that they do not possess a monopoly on expertise regarding local government improvement. In order to make the best use of the widest range of expertise, and to help foster other organisations with specialist knowledge to contribute to our shared improvement agenda, the IDeA will outsource some of the work it carries out in connection with this MoU to external organisations, and report on how it is working to encourage and develop other independent sources of expertise and best practice. We will also continue to contribute to and draw on the results and recommendations of the national studies undertaken by the National Audit Office.

Programme funding

12. In order to deliver the agreed programme a Grant of £ 20 million will be paid in 2018-19 to the Improvement and Development Agency. Details of the high-level budget are given in **Annex A2**.

Programme outcomes and objectives

13. The programme of sector improvement support set out in Annex A1 and funded through grant in 2018-19 will help to deliver the following outcomes:

- A resilient and self-aware local government sector that is receptive of challenge and support from peers and committed to the collective ownership of performance and improvement
- Councils that provide strong, accountable local leadership that sets the direction for place shaping, growth and effective local partnerships
- Councils recruit, develop, reward and deploy their workforce to best meet their objectives
- Councils that undertake their functions in an efficient, effective and resilient manner, responding to and taking advantage of new technologies in order to improve continuously and provide value for money for citizens.
- Councils that support the creation of strong local communities, working with partners to support healthy communities and strong local economies, and provide services that meet the needs of the citizens and communities to whom they are accountable.

Significant changes to the programme need to be agreed with the Secretary of State.

Programme performance reporting and monitoring

14. The performance of the IDeA, or bodies it passes grant to to help deliver the improvement programme, against the outcomes and outputs set out below and budget management, will be monitored by the IDeA Board and shared with the Department. Where relevant, papers will be published (see section in Part B on transparency).
15. The IDeA shall use appropriate programme and project management approaches to track and communicate to MHCLG the manner in which the grant is being used to deliver the programme's objectives. This includes the creation and regular updating of a Milestone chart/Forward look that sets out the dates of planned events, activity and programmes for the core work-streams.

Quarterly reports

16. The IDeA will submit to the Secretary of State, and publish, quarterly performance reports no later than 6 weeks after the end of the quarter. The report will set out:
 - the support delivered to local authorities in the previous three months, and the year to date
 - the outcomes and outputs delivered in the previous three months, and progress against the targets set out below, supported by evidence and the results of any satisfaction surveys to demonstrate delivery achievements

- appropriate briefing and commentary arising from the activity, including qualitative and quantitative assessment of the impacts of the support package and how measurement of this can be refined
- From Q2 the report will show actual spend against each individual work-stream of activity for the three month period
- The final quarterly report of the year will include a summative section which will provide analysis and evaluation of the full year's activity and achievements and unaudited spend for the financial year.

Meetings

17. Officials from IDeA, LGA and MHCLG will meet regularly to discuss progress in delivering the programme of sector improvement support and in particular local authorities facing particular challenges.
18. The IDeA and MHCLG will meet quarterly to discuss the progress report the IDeA has submitted and published and wider policy lessons for Government.

Programme Evaluation

19. In its reporting the IDeA will demonstrate that it has systematic approaches in place for collecting, analysing, and interpreting information relating to the grant funded work-streams enabling the IDeA to answer questions on the effectiveness and efficiency of the programme, including on the quality of outcomes. This will be partly informed by a regular survey of senior leadership satisfaction. The IDeA will demonstrate that the programmes are delivering the intended impact and effect.

Co-operation

20. The IDeA, and bodies it passes grant to to help deliver the improvement programme will, as part of their challenge and intelligence role, use diagnostics and work collaboratively with local authorities, inspection bodies and Government departments to identify at an early stage where serious risks to performance are developing and act with them to mitigate the escalation of those risks which would have a negative impact on the reputation of the sector.
21. In delivering the programme of sector improvement support set out in Annex A1 the IDeA will work closely with other bodies providing support to local authorities and their partners.

Review

22. IDeA and MHCLG will keep the programme of support outlined in the MoU under regular review to ensure it best meets the needs of the sector and jointly agree any changes. The quarterly progress meetings (above) provide one opportunity to do this. In addition, the Secretary of State and the IDeA agree to use the mid year performance review meeting to review any areas where a

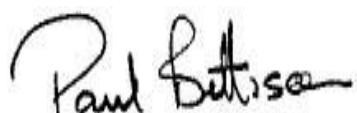
different method of delivering the support should be considered for the following year.

Signatures

Cllr Paul Bettison OBE

Chairman

Improvement & Development Agency



Signed:

Dated: 27 March 2018

Jo Farrar

**Director General – Local
Government and Public
Services, Ministry of Housing,
Communities and Local
Government**

Signed: ...



Dated: 27 March 2018

ANNEX A1

Programme of sector improvement support for 2018/19

PEER CHALLENGE AND SUPPORT

Challenge and support from one's peer's lies at the heart of our approach. Councils recognise the need for peer challenge to be adopted by all councils and that they will need to increasingly work with other partners from the public sector, private and from the voluntary and community sectors to realise their ambitions for their communities. The Corporate Peer Challenge (CPC) offer focuses on councils' leadership, corporate capacity and financial resilience – but is also able to be flexed to focus on other significant local issues such as homelessness; economic growth; transformation, etc. The Corporate Peer Challenge (CPC) has recently been refreshed and strengthened. We will continue to keep it under review and are currently implementing a number of the recommendations from the recently published independent evaluation from Cardiff University – including, for example, how we can use "impact stories" to promote and market CPC and how we can draw out and widely share good practice. There is an expectation that all councils will have a corporate peer challenge or finance peer review over a 5 year period. The LGA will proactively market peer challenge to those councils with zero/low take up.

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 more bespoke support. In these circumstances work will be undertaken with councils to develop intensive packages of support drawing appropriate elements from this wide-ranging offer. The peer-based model has also been adapted to provide support for councils who are looking to work with their partners around a placed-based approach or to work with other councils.

As part of the approach to sector led improvement it has been agreed with the sector that the LGA maintains an overview of the performance of the sector and uses this information to drive improvement in the overall performance of the sector. The LGA also manages 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 in. In order to help the LGA do this it looks to Government Departments to share any concerns with it at the earliest opportunity.

For those councils identified by the LGA and the Department as having the most severe performance challenges and at risk of intervention or in intervention a programme of support, developed with the local authority, will be delivered to help it overcome severe challenges. Councils deemed to require this level of support will have access to a rapid response team of senior members/officers with the appropriate mix of specialist skills and experience to help them respond to the

challenges being faced. Beyond this IDeA will package together a combination of the support offers outlined in the four core work-streams set out in this Annex.

Outcome: A resilient and self-aware local government sector that is receptive of challenge and support from peers and committed to the collective ownership of performance and improvement.

Objective 1: our ambition is that every council will have received a corporate or finance peer challenge, between 2017 and March 2022 and acted on the resulting recommendations to improve their performance

Deliverables to include:

- 1.1 Deliver at least 110 peer challenges, of all types (including fire and rescue), of which 70 are corporate or finance peer challenges.
- 1.2 Reducing the number of councils that have not had a corporate peer challenge since 2012 by 50% in 2018/19.

Objective 2: LGA acts as a focal point for the facilitation of effective peer to peer support, demand for which can often arise from the findings of a peer challenge

Deliverables to include:

- 2.1 Change of control support to 15 councils. A change of council control or political Leader/Mayor can be a vulnerable time for councils.
- 2.2 Provide support to at least 10 councils to manage and resolve issues between the political and managerial leadership
- 2.3 Tailored member/officer peer support to at least 60 councils. For example one to one mentoring support for individual councillors or Chief Executives
- 2.4 Support to at least 20 councils to improve the way they engage with their communities and establish a clear vision based on their residents' concerns about the priorities for the council
- 2.5 Support fire and rescue authorities as required and in a way that aligns with the new inspection regime.

Objective 3: Scrutiny makes an effective and positive contribution to organisational effectiveness and support takes account of the Government's response to the Communities and Local Government Commons Select Committee report on Overview and Scrutiny.

Deliverables to include:

- 3.1 With CfPS, a range of support for scrutiny, accountability and good governance including promotion of good practice

3.2 Training for at least 20 councillors on a Leadership Essentials Scrutiny course

3.3 Maintain and improve LG Inform, the on-line data and benchmarking service, enabling the comparison and analysis of performance and thereby supporting efficient service delivery and enhancing local accountability

Objective 4: To work with the most challenged councils to minimise the risk of formal intervention by MHCLG

Deliverables to include:

4.1 Bespoke packages of support for up to 10 councils identified by the LGA and the Ministry as having the most severe performance challenges and at risk of intervention or in intervention.

Measures

- 90% of Chief Executives of authorities that had received a peer challenge say their confidence about their council delivering its priorities had increased as a result
- 80% of respondents from councils receiving a corporate peer challenge a year earlier report it had a positive impact on their council's performance and delivery of their priorities
- The number of councils to have not received a corporate peer challenge since 2012 is reduced by 50%
- 85% of councils receiving peer support state that it has had a positive impact
- 50% of councils receiving peer support provide a member or officer peer as a result to support another council by 2020.

LEADERSHIP AND CAPACITY

Background:

Effective leadership has always been at the heart of effective democracy, and the LGA and IDeA both remain committed to supporting and developing the councillors and senior officers on whose shoulders this rests.

We know that local government is only ever as vibrant, effective and relevant as the people running it. In the context of new challenges for the sector - whether it be incentivising economic growth, or the onward devolution of powers to Mayors and Combined Authorities - a new cadre of leaders at both political and officer levels is required.

These leaders need to be capable of building strong working relationships, both across their communities and across central and local government. These leaders should also reflect the diversity and richness of the communities they serve. As part of our leadership offer this year we will include; strategic digital and cyber leadership; integration and cohesion; and preparing for emergencies and providing effective community leadership through response and into recovery. Unconscious bias training for councillors is included in parts of some of our programmes.

We have a duty to support and challenge the politicians and council officers of today to be the best leaders they can, and to encourage and talent spot the best leaders for the future – helping the sector to build a cadre of strong viable leaders at senior levels.

Individual councils themselves invest considerably in developing the workforce skills and managerial capacity of their senior managers. We are currently consulting on a new local government workforce strategy called “Growing Places” and this will drive our work over the next few years. It will take into account the potential workforce issues that may arise from Brexit. In consultation with councils and relevant stakeholders we have identified five key areas which we believe will shape the development of the local government workforce for the foreseeable future:

- organisational development
- skills development
- leadership
- recruitment and retention
- pay and rewards.

Outcome: Councils provide strong, accountable local leadership that sets the direction for place shaping, growth and effective local partnerships

Objective 5: Councillors and officers are provided with the support and development opportunities they require to become strong, capable and effective leaders who

understand the needs of their areas, lead and manage their organisations and are able to work effectively with partners to improve outcomes for citizens and communities.

Deliverables to include:

5.1 Provide development opportunities for at least 680 councillors with leadership roles in their councils

5.2 Promote good standards in public life in appropriate leadership courses and through the sharing of good practice and information

5.3 In partnership with SOLACE:

- The Ignite leadership development programme for at least 10 chief executives
- A programme for senior managers who aspire to be CEXs
- A programme that recognises and develops rising talent
- A management development programme aimed at “middle” managers

5.4 In partnership with CIPFA enhance the programme of leadership support for s.151 officers

5.5 Training and support for at least 75 council leaders or other senior politicians and chief executives and senior officers to develop their leadership roles through top team development and other programmes including digital leadership

Objective 6: The supply of talented political and officer leaders is continually refreshed

Deliverables to include:

6.1 At least 20 councils are supported to deliver bespoke “Be A Councillor” programmes to enable them to promote democracy and attract a wider pool of diverse talent to stand for election

6.2 60 ambitious and talented councillors are supported to progress their political careers through the Next Generation programme

6.3 The national graduate development programme (a two year management development programme) recruits at least 100 high calibre graduates in to local government

6.4 An apprenticeship programme (of encouragement and practical support) designed to help councils increase the number of apprentices and maximise their levy investment

Measures:

- over 90% of participants agree that the political leadership programme has helped them improve the way they carry out their role
- over 90% of members in our political leadership programme agree that as a result they feel more confident in their ability to carry out their role.

- over 90% of participants in our officer leadership programmes agree that as a result they feel more confident in their ability to carry out their role.
- At least 50% of participants in the Next Generation programme go on to be cabinet members, committee chairs or leaders within the following 5 years.
- At least 50% of participants in the national graduate development programme for 2018 go on to managerial positions by 2022.
- At least 75% of senior members and officers attending our senior leadership courses go on to provide peer or mentoring support to others by 2020.

Outcome: Councils recruit, develop, reward and deploy their workforce to best meet their objectives.

Objective 7: Councils are supported to address future workforce changes associated with public sector reform, the practical implementation of current employment legislation etc and to modernise and transform the way they work, developing workplace cultures that motivate and value staff at all levels

Deliverables to include:

7.1 Publish a new pay and workforce strategy by September 2018

7.2 Support over 75 councils to transform their workforces and modernise the way they are managed through a range of HR/OD initiatives and in line with the new pay and workforce strategy

7.3 Develop further campaigns to retain and attract staff in hard to recruit professions.

Objective 8: Pay settlements are agreed and workforce disruption minimised

Deliverables to include:

8.1 To maintain the national negotiating machinery on pay and workforce issues, facilitating the negotiation of a pay agreement for local government that addresses the challenge of the National Living Wage and delivers pay agreements for a range of other occupational groups, to avoid the duplication of single employer negotiations.

Measures

- Over 90% of councils provided with bespoke support agree that it has had a positive impact on their authority
- Councils reporting significant difficulties in recruiting to key jobs falls by 10% by end of 2020.

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 five years councils have made great strides to reduce costs whilst maintaining the quality of service delivery.

The efficiency and productivity programme is designed to ensure that local government continues to be the most efficient part of the public sector and comprises a range of initiatives and support to help councils continue to improve their productivity and efficiency - including the development of common solutions or the facilitation of collaborative approaches where appropriate.

More so than ever before local authorities need to look at how they now go beyond efficiency savings to how they can transform their services making use of digital and other opportunities.

Local government has a track record of working with other bodies: public sector (including central government), voluntary sector and the business community to help to transform the lives of their residents and communities for the better. It is by working together collaboratively in a place that added value can be achieved and councils are at the forefront of this way of working.

The LGA welcomes the government's recognition of local government's partnership role as set out in the common strategic agenda outlined in the UK Digital Strategy, the Government Transformation Strategy and the National Cyber Security Strategy. These set out an ambitious agenda which impacts directly on local communities, business and public services and emphasise the importance of collaborative work, as highlighted in the recent local government family's joint local digital leadership statement.

In the digital age it is more important than ever that councils are at the heart of developing a cross cutting culture of collaborative local digital leadership. It is vital that local leaders are on board with this agenda if it is to succeed. The LGA together with other key local government membership bodies will promote and build the local digital leadership required to maximise the benefits of digital transformation for local citizens, communities and businesses.

Our refreshed programme will support this area of work.

Strands involve:

- Transforming services: to make them more efficient, managing demand and finding more effective ways of delivering local people's needs - including digital tools and solutions to improve online transactional services through to new innovative ways of delivery;

- Smarter sourcing: commissioning and procuring services, goods and works more efficiently;
- Generating income; for example through commercialisation, better use of assets or investing to grow the local economy.

Outcome: Councils undertake their functions in an efficient, effective and resilient manner, responding to and taking advantage of new technologies in order to improve continuously and provide value for money for citizens.

Objective 9: Help councils become more efficient in the way they procure and deliver services and to assist them in managing risks including having in place sound contingency arrangements for contracts that have been outsourced.

Deliverables to include:

- 9.1 Revise the Local Government National Procurement strategy and set out a programme of work by October 2018 to help councils improve their procurement arrangements
- 9.2 Collaboration with Local Partnerships to provide practical support to help councils deliver efficiency savings and/or improve performance in areas such as waste and recycling, re-financing PFI contracts, undertaking major contract/fundamental spend reviews, etc.
- 9.3 Annual refresh of the national shared services map and a matchmaking service for councils in order to help increase the efficiency savings councils make through sharing services
- 9.4 Capture and share intelligence covering major suppliers to help reduce the risk for councils if a supplier got into financial difficulty
- 9.5 Work with MHCLG to synthesise data to develop a better understanding of the characteristics of intelligent and efficient councils

Objective 10: Help councils protect their financial resilience, including exploring new sources of revenue, fighting fraud locally and understanding and responding to local financial challenges

Deliverables to include:

- 10.1 Productivity and income generation experts to work with at least 25 councils, saving the councils or generating income of at least £25m
- 10.2 Help councils become more commercial through a series of courses, events and sharing good practice.

10.3 Provide expert financial advice and assistance to 40 councils to help them address specific issues

10.4 Help councils to be more pro-active in dealing with fraud by supporting Fighting Fraud Locally with CIPFA and others; supporting the Fighting Fraud Locally Board to review the 2016 strategy; and working with MHCLG in support of the Procurement Fraud Review.

Objective 11: Innovation and good practice in service design and delivery is encouraged and shared across the sector, including responding to the implications and opportunities of new technologies and digital transformation

Deliverables to include:

11.1 Through the “Design in public sector” work with the Design Council equip 10 councils to use design techniques to transform services and/or manage future demand and disseminate the learning across the sector

11.2 Work with the Behavioural Insights Team to help 8 councils better understand the behaviour of customers in order to better manage demand for services

11.3 Support to help councils maximise the opportunities that digital tools and solutions create to get more services online and help local residents and businesses carry out their business with their council online and to play a full part in digital aspects of various government strategies, including the UK’s industrial strategy

11.4 A programme of work to proactively support widening of the use of digital tools and solutions across local authorities and on-going work to highlight the importance of cyber security to senior officers and leaders in local authorities to promote their active participation in the national Cyber-Security Programme and membership of the online Cyber Security Information Partnership (CISP).

11.5 Showcase innovation and good practice through the Innovation Zone, on-line searchable database, publications and events.

Measures:

- councils continue to improve performance as evidenced by a basket of performance indicators used by councils across a wide range of services (as a proxy to measuring how our support has had an impact);
- the sector continues to transform services, utilising opportunities presented by new technologies, to become more efficient and effective in its use of resources - for every £1 of MHCLG grant invested in this part of the programme of sector led improvement we will help councils save £10.
- Leaders and Chief Executives in councils value the improvement support the LGA is making available as demonstrated by 90% saying it has had a positive impact on their authority.

STRONG COMMUNITIES WITH EXCELLENT PUBLIC SERVICES

Central and local government are both committed to creating the right conditions to deliver strong local economies with local authorities delivering high quality, value for money services.

This means there needs to be a shift in power from central to local government. We want to see economic growth being boosted in a way that offers prosperity to every place. We want public services transformed so they prevent problems instead of just picking up the pieces. We want services to be built around people and their needs, joining up to make a positive impact on the lives of individuals, families and communities. We will support councils in responding to the challenges of building strong, integrated communities. To deliver the outcomes councillors are seeking for their communities, 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.

We want to help councils put housing at the centre of solutions to wider public service challenges by developing an improvement offer based on the LGA Housing Commission's key findings. The offer will support councils to meet the ambitions of the Housing White Paper, Fixing our Broken Housing Market by focusing on delivering homes, generating revenue or finding savings, and preventing and relieving homelessness. We will look to expand the reach of our housing adviser programme.

The government has embarked on a journey that will bring power close to local communities. This offer is to help councils on this journey. For those with deals already agreed, it will involve helping them with implementation. For those that are just embarking on the journey it will involve help to establish the meaningful partnerships required to sustain any deal.

Outcome: Councils that support the creation of strong local communities, working with partners to support healthy communities and strong local economies, and provide services that meet the needs of the citizens and communities to whom they are accountable.

Objective 12: Councils are provided with the support they need to work effectively with partners to deliver excellent public services that support the creation of strong communities

Deliverables to include:

- 12.1 Implement the Housing Advisers programme, providing practical bespoke support to help at least 20 councils deal with the housing, planning and homelessness challenges they are facing in their areas and draw out the lessons for wider dissemination within the sector. Work with MHCLG on a series of national sector-wide projects supporting councils to meet common challenges in housing delivery, planning and homelessness prevention.
- 12.2 A mixture of generic and bespoke support for newly elected mayors and assistance to those areas in the process of developing their devolution arrangements, capturing and sharing good practice
- 12.3 In association with NALC, continue to promote effective collaboration between principal authorities and town and parish councils and support for mutually beneficial areas of work.
- 12.4 Support councils on the local growth agenda, including working with councils and their partners on developing Local Industrial Strategies through a programme of events and capturing good practice.
- 12.5 Support for officers and members to strengthen councils' licensing and regulatory functions, including issues arising from the Hackitt review of Building Regulations and Fire Safety
- 12.6 Assist councils to tackle modern slavery, including identifying and supporting victims, through the dissemination of guidance, sharing best practice and raising awareness
- 12.7 Help councils make an effective contribution to the public health system, by addressing the issues of health inequalities and examining the links between economic growth, employment and health
- 12.8 A programme of support for councils to help secure integrated communities, taking account of the Government's Integrated Communities Strategy, and including leadership support to handle the complexities of the agenda
- 12.9 A programme of support for councils to help counter extremism, taking account of the Government's Counter-Extremism Strategy
- 12.10 Strengthen fire and rescue authorities' ability to take forward the fire reform agenda by strengthening their strategic leadership
- 12.11 Work with MHCLG to ensure that the national Troubled Families Programme is effectively implementing service transformation across Early Help Services

12.12 Support councils to prepare for EU Exit by sharing best practice from within the sector on EU Exit planning including capturing and sharing evidence of the differing, local impacts of Brexit through engaging with the sector and local seminars

12.13 Support councils to strengthen their resilience and emergency planning, focussing on community leadership in civil emergencies, through a series of training events and other materials

12.14 Through the One Public Estate, support the delivery of the Land Release Fund.

Measures:

- Council residents maintain high levels of trust and satisfaction in local government
- Over 85% of those authorities provided with support report that it has had an impact
- Officer and Member peers come forward to support others from at least 50 councils as a result of the support provided

ANNEX A2**INDICATIVE BUDGET 2018/19**

Budget Area	£000
Councillor Services	370.4
Group Offices	356.6
Executive and Business	424.3
Organisational Governance	1,151.3
Service Improvement	2086.5
Local Government Improvement and Peer Support	7094.8
Leadership	1996
Productivity	2637.2
Research, Information and LG Inform	1177.5
Improvement and Leadership	12905.5
Workforce and Negotiations	1702.1
Conferences and Events	450.5
Website, Good Practice and Improvement	624
Communications	1074.5
Local Partnerships	900
CfPS	180
TOTAL	20,000

PART B

Definitions

23 For the purpose of this memorandum:

- a. “the Secretary of State” means the Secretary of State for Housing, Communities and Local Government, or his Ministers and officials acting on his behalf.
- b. “the LGA” means the Local Government Association as the parent body of the Improvement and Development Agency for Local Government.
- c. “the IDeA” means the Improvement and Development Agency for Local Government.
- d. “Local authorities” means all principal authorities and Fire and Rescue Authorities. Parish councils and other types of public authority may also be included at the discretion of the IDeA or the request of the Secretary of State.

Data protection

24 The Government believes that local transparency can be implemented in a way that complies with the Data Protection Act 1998 (the Act). Where the IDeA, or bodies it passes grant to, to help deliver the improvement programme, are disclosing personal information, they must ensure that the publication of that information is both in the spirit of and compliant with the provisions of the Act. If a need to share personal data arises, it will be done in compliance with the relevant legislation. The Act does not restrict or inhibit information being published about councillors or senior officers because of the legitimate public interest in the scrutiny of such senior individuals and decision makers. The Act also does not automatically prohibit information being published naming the suppliers with whom the bodies have contracts, including sole traders, because of the public interest in accountability and transparency in the spending of public money.

25 For other situations where information held by IDeA, or bodies it passes grant to to help deliver the improvement programme, contains public data which cannot be disclosed in a Data Protection Act compliant manner, the Information Commissioner’s Office has published guidance on anonymisation of datasets, enabling publication of data which can yield insights to support public service improvement, whilst safeguarding individuals’ privacy¹.

¹http://ico.org.uk/for_organisations/data_protection/topic_guides/anonymisation

Commercial confidentiality

- 26 The Government has not seen any evidence that publishing details about contracts entered into by local government would prejudice procurement exercises or the interests of commercial organisations, or breach commercial confidentiality unless specific confidentiality clauses are included in contracts. The IDeA and bodies it passes grant to for the delivery of the improvement programme will be expected to publish details of contracts they have entered into, to deliver the programme of sector improvement support set out below. Commercial confidentiality should not, in itself, be a reason to not be transparent about the delivery of sector support funded by public monies.

Freedom of Information Act 2000

- 27 The IDeA, and bodies it funds using the grant to deliver the improvement programme will voluntarily respond to requests for information about the programme of sector improvement support set out below, in line with the general principles of openness given legislative effect by the Freedom of Information Act 2000.
- 28 Where information would otherwise fall within one of the exemptions from disclosure under the Freedom of Information Act 2000, then it is at the discretion of the IDeA and/or the bodies through which it delivers the improvement programme, whether or not to publish the data. The IDeA will start from the presumption of openness and disclosure of information, and not rely on what could have been exempted to withhold information unless absolutely necessary.

Financial management and the effective and appropriate use of Public Money

- 29 The IDeA recognises that to maintain credibility and the trust of both the sector and taxpayers it must handle public funds with probity and in a manner that is demonstrably in the public interest. To this end IDeA commits to using this grant in a manner which is consistent with the principles (at para 1.1.1) within the Treasury guidance ***Managing Public Money***.²
- 30 The IDeA will undertake effective financial tracking, monitoring and reporting of the grant funding and will share the appropriate documentation at the level of clarity and detail required by the Department. This will include the sharing of:

²

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454191/Managing_Public_Money_AA_v2_-jan15.pdf

- Management Accounts and;
- the Business Plan.

31 This means that IDeA will use the grant efficiently, economically and effectively, avoiding waste and extravagance. As such the IDeA will not use grant to:

- pay for staff at the IDeA, or the contracting of consultants or other companies, to lobby Parliament, Government or political parties. This also applies to bodies IDeA passes grant to to help deliver the improvement programme. To be clear, this includes payments that support activity intended to influence or attempt to influence Parliament, Government or Political parties, or attempting to influence the awarding or renewal of contracts and grants or attempting to influence legislative or regulatory action
- subsidise other programmes and projects delivered by the IDeA, or the bodies with whom it delivers this improvement programme not specified in Annex A1
- undertake property development or improvement
- support commercial services, where a market exists, at uncompetitive costs and standards compared to what could be procured directly by local authorities
- support any negotiating (except in respect of national pay negotiations), lobbying and sector representation functions which should be funded through membership subscriptions
- unconnected and excessive management overheads e.g. councillor and officer costs.

Transparency

32 The IDeA and bodies it passes grant to to help deliver the improvement programme should primarily be accountable to local government for the delivery of the programme of sector improvement support set out in this Memorandum of Understanding. The IDeA and bodies it passes grant to to help deliver the improvement programme, will, therefore, be transparent and open with all local authorities and the public about how they deliver the programme of sector improvement support, following the principles and practices that apply to local authorities through the Local Government Transparency Code 2015.

33 **Annex B1** sets out the information which the IDeA and/or bodies it passes grant to to help deliver the improvement programme will publish.

ANNEX B1

Information to be published by the LGA and the IDeA

- A. The information to be published covered in this Annex is consistent with the principles and practices placed on local authorities through the Local Government Transparency Code 2015.

Annual accounts

- B. The LGA and the IDeA will publish audited annual accounts online for 2017-18 by end of July 2018.

Board papers

- C. The LGA and the IDeA will publish board³ papers relevant to the delivery of the programme of sector improvement support set out in Annex A1 three days before the board meeting. And the relevant sections of the minutes for board meetings will be published within one month of the meeting.

Communication with local authorities

- D. The LGA will write (including electronic dissemination) to local authority Leaders and Chief Executives in April 2018 to publicise the improvement offer to local authorities and the core details contained in this Memorandum of Understanding. And in November the LGA will write again to set out progress in delivering the improvement offer.

Contracts

- E. The LGA and the IDeA will publish, on a quarterly basis, details of new contracts or legally enforceable agreements they have signed with third parties for the provision of goods and/or services that support the delivery of the programme of sector improvement support set out in Annex A1.

Expenditure exceeding £500

- F. The LGA and the IDeA will publish details of each item of expenditure that exceeds £500⁴ that is incurred delivering the programme of sector improvement support set out in Annex A1. For each individual item of expenditure the following information will be published:

³ For example, the LGA's Improvement and Innovation Board and IDeA's company board.

⁴ The threshold should be, where possible, the net amount excluding recoverable Value Added Tax.

- date the expenditure was incurred
- beneficiary
- summary of the purpose of the expenditure⁵
- amount⁶
- Value Added Tax that cannot be recovered, and
- merchant category (e.g. computers, software etc.).

Organisation chart

G. The LGA and the IDeA will publish an organisation chart, by 31 July 2018, covering all staff whose salary exceeds £50,000 engaged in the delivery of the programme of sector improvement support. The following information will be published for each member of staff included in the chart:

- grade
- job title
- responsibilities (for example, the services and functions they are responsible for, budget held and number of staff)
- whether permanent, temporary or contractor
- contact details
- salary in £5,000 brackets, consistent with the requirements⁷ placed on local authorities
- salary ceiling (the maximum salary for the grade), and
- details of bonuses and ‘benefits-in-kind’.

Pay multiple

H. The LGA and IDeA will publish, by 31 July 2018, the pay multiple for staff engaged in the delivery of the programme of sector improvement support. The pay multiple is defined as the ratio between the highest paid taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole workforce. The measure will:

- cover all elements of remuneration that can be valued (e.g. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)

⁵ This could be the descriptor that the LGA and the IDeA use in their respective accounting system providing it gives a clear sense of why the expenditure was incurred or what it purchased or secured.

⁶ Where possible, this should be the net amount excluding recoverable Value Added Tax. Where Value Added Tax cannot be recovered – or the source of the data being used cannot separate out recoverable Value Added Tax – then the gross amount should be used instead with a note stating that the gross amount has been used.

⁷ Under the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817).

- use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year, and
- exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.

Performance reports

- I. The IDeA will publish the quarterly performance report it submits to the Secretary of State setting out:
 - the support delivered to local authorities in the previous three months, and the year to date
 - the outcomes and outputs delivered in the previous three months, and progress against the targets set out above
 - how grant has been spent in the previous three months and the year to date
 - problems in delivering the programme of sector improvement support set out in Annex A1 and
 - any proposed changes to this Memorandum of Understanding.
- J. The first quarterly performance report will be published by mid August 2018, covering the three months April to June 2018. Performance reports will be submitted and published every three months thereafter.

Memorandum of Understanding

- K. MHCLG and the IDeA will publish this Memorandum of Understanding.