

# A guide to our sector-led improvement offer for finance

The Local Government Association (LGA) works with councils to promote, support and improve local government.

In the current financial climate councils are increasingly looking for good practice and support to help them manage their overall finances.

This can range from achieving productivity or efficiency savings through to ways of helping them engage with their local communities to prioritise how they spend their reduced resources.

The LGA wants to ensure that we respond to the growing need for support in this area and we too have re-prioritised some of our improvement offers as a result.

Our support relies on making use of expertise in the sector, both member and officer peers, and therefore we need your help to ensure that what we deliver is of a high quality.

In addition, we want to work with all councils to obtain the best financial settlement possible for the sector.

## Corporate peer challenge

We offer support to councils to help you review and transform services, improve performance and deal with reputation issues.

Our free-of-charge corporate peer challenge is flexible and tailored to a council's individual needs but they all have core components which include looking at the financial planning and resilience of a council. The flexibility of our offer means that if a council would like the peer challenge team to look in more depth at its financial position we can assemble the correct team to do this.

This is very much a forward-looking activity and could include consideration of:

- financial issues and challenges
- modeling funding for the future
- strategic choices for future shape, size and functions
- overall approaches/options to service design and delivery
- transition and transformation plans.

[www.local.gov.uk/peer-challenges](http://www.local.gov.uk/peer-challenges)

## Financial health check

For councils who are looking for an in-depth technical assessment and analysis of their finances we can offer a financial health check.

The work is led by technical experts and delivered by an experienced finance director or consultant. Key elements of the work lead to a report providing:

- an overall view of a council's current financial standing
- an appraisal of any significant resource pressures
- a summary of other financial challenges which are likely to impact in the near future
- a view of the appropriateness of the steps the council is taking to tackle their financial issues
- a set of recommendations on how to tackle any identified issues and in what order.

This is a targeted offer delivered over three days onsite, a further day for preparation and another two days to produce the written report and any follow-up work. The cost of the health check is £3,900 plus expenses.

## Budget challenge

Our budget challenge is a facilitated discussion, led by a member peer, working with the cabinet, or equivalent, offering political advice/guidance on budget options and issues.

Typically the budget challenge is a facilitated and interactive process which would look at:

- prioritisation and decision-making
- budget process
- savings options
- reserves and provisions
- comparative costs

- record of overspends/underspends by service
- fees and charges
- back office costs
- short and medium term financial strategies.

The budget challenge has a relatively short-term focus, looking mainly at the next 12 to 18 months. Given its breadth, it can be offered during the course of the financial year, not just at pre-budget time.

The challenge is delivered over a day, plus one day preparation and a further day's follow-up, ie three days in total costing £900 plus expenses.

## Productivity and efficiency

Our productivity programme's support to councils changes each year, but currently includes:

- 'productivity expert' programme – confidential external advice to support and challenge councils' service transformation plans
- national map of shared services – a re-launched compendium and map showing that at least 337 councils across the country are engaged in 325 shared service arrangements resulting in £278 million of efficiency savings
- our One Public Estate programme, run with the Cabinet Office, is working with 12 authorities to progress asset sharing across the public sector
- economic growth advisers – offering bespoke advice and support to local authorities to help them deliver economic growth in their area.

[www.local.gov.uk/productivity](http://www.local.gov.uk/productivity)

## Supporting and developing councillors

We provide free or subsidised support to assist in the development of political leaders and help councillors undertake their leadership roles.

Our programme for the first time includes a tailored Leadership Academy aimed at finance portfolio holders.

More generally our member peer support offer includes support for finance portfolio holders from an experienced pool of member peers.

## LG Inform and LG Inform Plus

LG Inform presents you with up-to-date published data about your local area and the performance of your council. With access to over 1,000 individual items of published data for England, LG Inform provides:

- easy access to the most relevant, up-to-date published data
- the ability to compare one council with another locally, regionally, or nationally
- high-quality online and offline reporting, including charts, maps, tables and reports
- the ability to create and share reports, instantly updating these when new data is published
- a customisable home page, giving you a quick snapshot of your key data.

Our subscription service LG Inform Plus is where you can find ward-level data.

[www.local.gov.uk/about-lginform](http://www.local.gov.uk/about-lginform)

## YouChoose

Research shows that residents like to be involved in budget-making decisions. Our 'YouChoose' tool provides an 'off the shelf' solution to help you with budget consultation.

[www.local.gov.uk/researchyouchoose-tool](http://www.local.gov.uk/researchyouchoose-tool)

## Future funding model

Our 'Future funding model' sets out the impact, on the available resources of English local government, of funding cuts and unavoidable growth pressure.

The funding gap is growing at around £2.1 billion a year, adding up to £14.4 billion by the end of the decade. It is created by a combination of funding cuts and spending pressure.

We have sent the model to all leaders and chief executives, and will keep it updated.

In addition, we have also developed some financial 'spidergrams' which allow authorities to assess their financial position and appraise their financial strategy. These were circulated to chief executives in October 2013.

## Local Partnerships

Local Partnerships is a jointly owned company by the LGA and HM Treasury and helps save you money.

Areas of work and service delivery that Local Partnerships can help with include:

- asset rationalisation – making sure the assets you own and use are delivering what you need
- PFI efficiency savings – for a full review of your contractual arrangements that will save you money
- strategic options appraisal – what is the best way forward for you, in house, arms length, contracted out?
- social investment – facilitate networks, advice on fund development, supporting new investment models
- RE:FIT energy savings – guaranteed money saving on your energy bills for your property assets
- assurance reviews – a toolkit you can use that ensures you have the latest advice, thinking and analysis.

[www.localpartnerships.org.uk](http://www.localpartnerships.org.uk)

## Keeping in touch

We provide a range of free online information bulletins and a daily news headlines service, emailed direct to councillors and officers. By subscribing, you can keep up-to-date with our finance and improvement work, plus current legislation, government announcements and consultations.

[www.local.gov.uk/ebulletins](http://www.local.gov.uk/ebulletins)

### How do I find out more or contact the LGA?

Our offer to councils is being refreshed all the time in response to what you tell us you need. To find out more about our services or to discuss any support you may need, please contact your principal adviser.

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