

LGA ANNUAL REPORT

to shareholders 2007



Why the annual report?

This booklet is about reporting to councils on the work of the LGA over the past year - setting out what we have done, and what remains to be done.

As well as focussing on the major outcomes of the past 12 months, it gives an overview of the LGA boards, political groups and central bodies - and points to key surrounding LGA publications such as the business plan, independent commission report and prospectus.

Why all the animals?

Our annual report has been given the “Wychavon treatment”.

Having won many plaudits for its fresh and bright approach to effective customer communications, we asked Wychavon District Council (LGC Council of the Year) to work with us in designing this - a key report for our shareholders.

Thank you Wychavon.



Welcome to our Annual Report. It's been a busy year!

Read on to see how we are winning a better deal for you as our member councils and the people you represent.



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The big five - objectives and delivery 2006/7

More money

We want - A fair deal for councils and a sustainable financial system.

We did - Secured over £800m increased funding for councils as a direct result of LGA lobbying (£305m for 2006/07; £508m for 2007/08). In March, we submitted evidence and proposals for the future of local government funding ahead of the Comprehensive Spending Review.



More local

We want - A locally based system with councils at the fore, providing greater visibility and accountability for those providing local services - with central government carrying its fair share of responsibility.

We did - As a direct result of LGA lobbying, the Local Government White Paper reflected our call for councils and councillors to lead Local Strategic Partnerships (LSPs), along with a duty to co-operate for all involved public sector bodies.

More freedom

We want - A reduction in red tape. Local government currently reports on around 1,000 indicators - with many examples of duplication, overlap and over-prescriptive processes. It is time this changed.

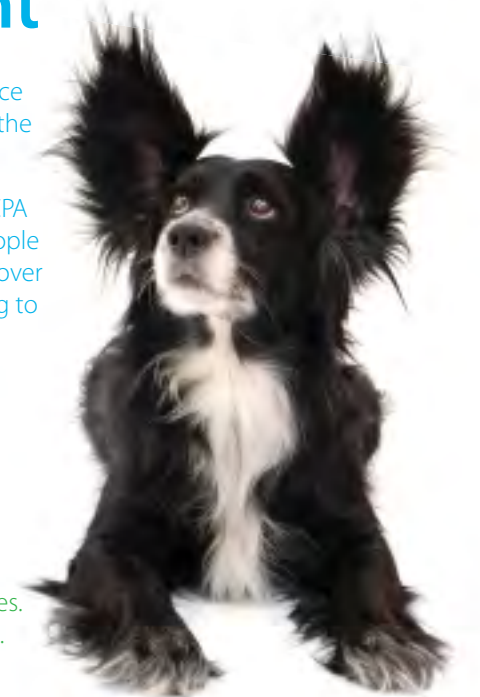
We did - As a result of our lobbying, the white paper accepted our call for a reduction to 200 indicators around 30 agreed outcomes.



More improvement

We want - To support the sector in improving service delivery and resident satisfaction; not just satisfying the Audit Commission, but real people too.

We did - With most councils achieving impressive CPA scores, the challenge is now about bringing local people onside. The LGA Reputation Campaign now has well over half the sector onboard in recognising and beginning to tackle the issue.



Your LGA

We want - In our 10th year, to review and refresh the LGA's relationship with member councils, and the service we provide.

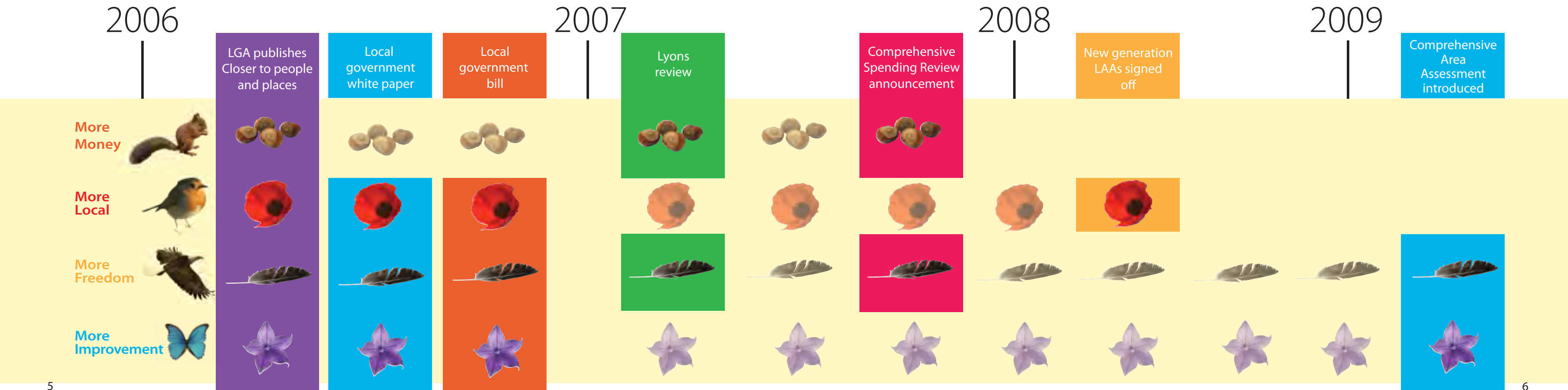
We did - The Best Commission was established to review the LGA's relationship with member authorities. Having reported its recommendations in March, the challenge now is for the LGA to address its views. The LGA prospectus sets out the way ahead.

Our journey together - key milestones 06-09

In the 2005 Winter Review, the LGA set out the journey ahead and our collective goals for local government over the life of the new parliament.

Whilst the dates of some of the white papers, bills and reviews shifted, we remain on track to achieve those goals - and that's down to our continued and collective efforts; the LGA and councils working together; a unified sector.

We are now halfway along that timeline set out in 2005, so there remains much to be done. Here's the updated timeline of 2005, with an overview of our lobbying.



A year of LGA activity 06/07

Month by month overview



April



LGE negotiates resolution to local government pension dispute.

May

Closer to people and places launched – bringing together our lobbying goals for how power should be removed from Whitehall and put into the hands of local people, partners and councils.

June



LGA joins the Treasury's working groups on the Comprehensive Spending Review and, working with councils, sets out the evidence on cost pressures.

July



LGA calls for tough community-based sentences, rather than prison, for children committing non-violent crimes.

August

200th council signs up to Reputation Campaign - committing to deliver 12 core actions proven to raise the standing of councils with residents.

September



Independent Commission launched - to focus on the way forward for the LGA, its central bodies and its relationship with member councils.

October

LGA's autumn statement *Meeting the challenges ahead* - sets out the key facts, cost pressures and choices around local government funding.

November



LGA, together with other national bodies, makes joint spending review submission on funding for new and existing homes.

December

Without a Care - LGA campaigns with charities for a fairer and financially secure solution around future care for the elderly.

January



War on waste media campaign begins - raising public awareness of the growing waste problem ahead of the National Waste Strategy and CSR07.

February

Prosperous communities II: vive la dévolution – sets out in detail the economic argument for devolution.

March



Independent Climate Change Commission launched - to produce recommendations for councils on tackling and responding to climate change.

Our boards and political groups

LGA work is structured into seven boards, chaired and guided by members from across the country and supported by adviser networks of council officers. The contact details below are for the LGA programme directors for each board. New board chairs will be appointed following the General Assembly, and their details sent to you soon.

<p>1. Children & Young People</p> <p>Caroline Abrahams caroline.abrahams@lga.gov.uk 020 7664 3172</p>	<p>2. Community Well-being</p> <p>Anne McDonald anne.mcdonald@lga.gov.uk 020 7664 3259</p>	<p>3. Culture, Tourism & Sport</p> <p>Paul Raynes paul.raynes@lga.gov.uk 020 7664 3037</p>	<p>4. Environment</p> <p>Martin Wheatley martin.wheatley@lga.gov.uk 020 7664 3286</p>
<p>5. Improvement</p> <p>Corin Thomson corin.thomson@lga.gov.uk 020 7664 3188</p>	<p>6. Regeneration & Transport</p> <p>Paul Raynes paul.raynes@lga.gov.uk 020 7664 3037</p>	<p>7. Safer Communities</p> <p>David Williams david.williams@lga.gov.uk 020 7664 3266</p>	

The LGA is the only major player on the national political scene that is cross party. This hugely increases our influence. All our policy and media work is run past and negotiated through four political group offices. Each office provides support and advice for their leadership teams and for groups up and down the country.

<p>• Conservative William Brooks william.brooks@lga.gov.uk 020 7664 3281</p>	<p>• Labour Nathan Yeowell nathan.yeowell@lga.gov.uk 020 7664 3134</p>	<p>• Liberal Democrat Ed Fordham ed.fordham@lga.gov.uk 020 7664 3295</p>	<p>• Independent Maggie Sullivan maggie.sullivan@lga.gov.uk 020 7664 3206</p>
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The LGA family... working together for you

The LGA leads a group of organisations – the central bodies – to support and promote better local government. These partner organisations are part funded from the Revenue Support Grant.

Partner organisation	Grant allocated
Improvement and Development Agency	£28,442K
Local Government Employers	£5,466K
Public Private Partnerships Programme	£4,147K
Local Authority Co-ordinators for Regulatory Services	£2,080K
LGA European and International Unit	£1,797K



The main source of funding for the LGA is member subscriptions of £15m. For full information on LGA spending and resources, see our business plan by contacting LGConnect on 020 7664 3131 or email info@lga.gov.uk

IDeA
works for local government improvement
tel: 020 7296 6600
email: ihelp@idea.gov.uk
web: www.idea.gov.uk

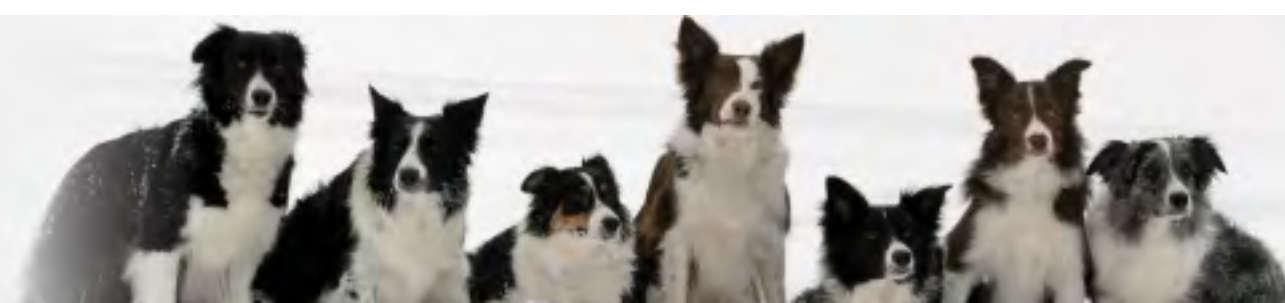
4ps
local government's partnerships project delivery specialist
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LGA
winning a better deal for councils and the people they represent
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LACORS
helps councils protect people
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web: www.lacors.gov.uk

LGE
represents local government employers
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email: info@lge.gov.uk
web: www.lge.gov.uk

LGA European and International Unit (formerly LGIB)
bringing international issues closer to local government
tel: 020 7664 3131
email: info@lga.gov.uk
web: www.lga.gov.uk



1. More money

“The Local Government Association's autumn statement *Meeting the challenges ahead* warns that, unless there is a substantial increase in funding, within four years up to 370,000 older people currently receiving free low-level care could lose it, while spending on waste will have roughly doubled by 2013 to £4.2bn... As Gordon Brown mulls the plans for his premiership, one way or another he will be forced to meet the challenges the LGA has spelt out.”

Richard Vize, LGC editor, November 2006

Milestones

Oct 2006	Following consultation with councils, the LGA sets out the key challenges ahead and choices around local government funding in its <i>Meeting the challenges ahead</i> autumn statement.
Nov 2006	LGE/LGA <i>Unlocking the route to equal pay</i> report lobbies for more flexibility for local authorities.
Dec 2006	LGA's <i>Without a Care</i> presents very starkly the issues and implications around funding future care for the elderly, campaigning for a fairer and financially secure solution.
Jan 2007	LGA War on Waste campaign highlights the pressures on waste spending, calling for government investment, tools to help councils encourage recycling and tougher measures on producers to reduce packaging.
Mar 2007	Lyons report reflects much of what we asked for – including a more sustainable finance system with greater flexibility, assurances that the funding system will provide enough money to deliver on the promises central government makes and reforming council tax benefit to make the system fairer.
Mar 2007	Councils, supported by the LGA, submit evidence to government on the cost pressures facing local government in the CSR and solutions for meeting the challenges ahead.

Time for a change

The important steps in the Local Government White Paper towards improved joint working at the local level need to be backed up by the devolution of funding and powers to give local authorities the tools to meet the challenges of the future.

The reform of the local government finance system is long overdue and we believe it is not acceptable for the burden of funding national challenges to continue to be placed on the council tax payer. In the current settlement only £3.1b comes from general taxation; the rest is from Council Tax (£23.6b) and redistributed NNDR (£18.5b). There is a lot of work that remains in this area, however the past year has seen a number of key successes...

- Over £800m increased funding for councils as a direct result of LGA lobbying (£305m for 2006/07; £508m for 2007/08).
- LGA and advisers persuaded DfT to pay set up costs for the England-wide concessionary fares scheme which starts in April 2008, and are in discussions with them about the best way of financing the scheme.
- £29m funding for the implementation of the smoking ban.
- LGA lobbying around 'Save as you throw' resulted in a consultation to give local authorities power to introduce a revenue-neutral incentive scheme to encourage reuse and recycling, where it is desired locally.
- The LGA European and International Unit, working with councils, successfully lobbied the UK government and European Commission to give councils direct involvement and new flexibility in spending the £2 billion European Social Fund programme.
- Following LGA/LGE lobbying, the government changed capitalisation guidance to make it easier for councils to meet the burden of equal pay.
- Lyons opened the doors to supplementary business rate levies to fund local projects, reflecting LGA calls for greater local control over the rate.



2. More local

“It is right that local councils, not Whitehall, should have more power over the things that matter to their community... from economic regeneration to public transport.”

Gordon Brown, September 2006

Milestones

- Oct 2006** Local Government White Paper – accepts our democratic case for devolution, with council leaders at the very centre of Local Strategic Partnerships.
- Feb 2007** *Prosperous communities II: vive la dévolution* – a major evidence based report from the LGA, sets out 34 detailed recommendations on the powers that need to be devolved to councils in the key areas of planning and housing; transport; labour market and welfare policies; and economic development.
- Mar 2007** *A very English revolution* – LGA report, packed with case studies from councils across the country, challenges central government not to stop short of the ambitions set out in the white paper.
- Jun 2007** Welfare reform: the case for localisation – LGA report argues the case for a devolved approach to helping people off welfare and into work.

Time for a change

Each place - village, city, town and county - is different. All require local solutions. The LGA has championed the devolutionary cause by instinct and belief, and over the past year has done so on the evidence.

The case for devolution is stark – both economically and democratically. *Prosperous communities II* analysed labour, retail and housing market areas, travel-to-work areas and the clustering of high-tech businesses. *A very English revolution* demonstrated the need for the next generation of Local Area Agreements to be more ambitious and driven from the bottom up rather than the top down.

In the light of the evidence, devolution now seems to us both necessary and unavoidable. Over the past year, we have taken the following important steps forward...

- **The Local Government White Paper reflected our demands around local accountability, accepting our call for stronger scrutiny of partners and a strengthened role for councillors - restoring their right to speak on all local issues.**
- **For the first time, the White Paper set out a duty to co-operate for all public sector bodies involved in Local Strategic Partnerships.**
- **The draft Local Transport Bill accepted the LGA's model for bottom up reform of governance arrangements for Passenger Transport Authorities and our call for councils to be given greater control over bus services.**
- **Lobbied through the Treasury review of housing growth for new arrangements which will give councils responsibilities matched with powers and funding to deliver infrastructure for housing growth.**
- **Argued in the government's sub-national review for a greater role for council-led partnerships in economic regeneration.**



3. More freedom

“As well as reducing the number of targets and performance indicators in the revised performance framework set out in the recent White Paper, the Government, its agencies and the inspectorates should also reduce the wider data burdens and reporting requirements that local authorities face, drawing on the work of the Lifting the Burdens task force.”

Lyons Report, March 2007

Milestones

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| Feb 2006 | Following consultation with councils, the LGA and IDeA sets out our demands from the White Paper in the Driving Improvement report. |
| July 2006 | Working with CLG, the LGA sets up the Lifting the Burdens task force to investigate and recommend on how to lighten the load of bureaucracy that gets in the way of innovative, effective and efficient service delivery. |
| Oct 2006 | Local Government White Paper – accepts our call for a reduction from 1,000 to 200 indicators for councils, as part of a new performance framework. |
| Nov 2006 | The investigative and lobbying work of the Lifting the Burdens task force continues... |
| Mar 2007 | Taking part counts – LGA report argues for a decisive cut in the number of central target indicators for culture and sport. |

Time for a change

According to CLG, 80% of councils' reporting is to central government – with many examples of duplication, overlap, unnecessary requests and over-prescriptive, over-complicated processes. It is time this changed. And with the Local Government White Paper, Comprehensive Spending Review and other reports calling for greater devolution, there has never been a better time.

LGA's lobbying has directly led to more freedom for councils...

- **Freedom from ring fenced grants – so councils can invest resources where they are most needed.**
- **Freedom from stifling inspection regimes – to a system where inspections are more proportionate, more focussed on improvement and delivery, and less draining on resources.**
- **Freedom from reporting to unnecessary indicators – cutting them from 1,000 to 200.**
- **Freedom from unnecessary targets – as a direct result of our lobbying, the white paper declared that the only way in which targets can now be imposed is via agreements through LAAs.**



4. More improvement

“Keeping pollution to a minimum, cleaning the streets, emptying the bins, ensuring that there are some good quality green spaces within easy access. These issues matter to people everywhere, and we mustn’t lose sight of them. That’s why I’m pleased that the LGA has developed its Reputation campaign.”

David Miliband, May 2007

Milestones

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|----------|--|
| Feb 2007 | CPA results for single tier and county councils released – showing almost 80 per cent of single tier and county councils now performing at 3 or 4 star level. (District council CPA data not available at time of publication). |
| Feb 2007 | BVPI results for top tier and county councils released – showing improvements in resident satisfaction for many key services, but a drop in satisfaction for councils as institutions. |
| Mar 2007 | LGA launches Independent Climate Change Commission, to produce recommendations for councils on how they can improve their work tackling and responding to climate change. |
| Apr 2007 | LGA commissioned work by Ipsos MORI shows that resident satisfaction with councils tends to rise where people feel they are well informed and have the opportunity to be involved in decision making. |
| May 2007 | District councils BVPI results out – showing big improvements across the board, and yet the same trend remains as with the top tier and county councils: residents happier with services than they are with the councils providing them. |

Time for a change

The LGA’s State of Local Government report highlights the extent of councils’ achievements in CPA and BVPI. Besides this, over £3b of efficiency savings a year have been delivered ahead of schedule, with 95 per cent of authorities passing the government’s value for money test. Councils have dramatically improved performance.

So the evidence shows that council services are well delivered, efficiently delivered and well received. The challenge now is to bring resident satisfaction with councils in line with these impressive scores. This is a long term challenge, but a crucial one. Local government’s standing with the public underpins so many of the main issues for local government today and in the future; from making our case in CSR07 and securing real devolution through to simply getting people out to vote in local elections. Our work in this area over the past year has included...

- **Helping councils tackle underperformance: working with IDEa to provide practical help and, in specific cases, getting heavy-handed central government interventions removed.**
- **Working with the National Consumer Council (NCC) to help councils get maximum value from their customer consultation and research.**
- **Gathering, analysing and interpreting local government data; for instance in our State of Local Government report and our work with Ipsos MORI around BVPI.**
- **Mobilising the sector through the Reputation Campaign to concentrate on key evidence-based triggers that improve resident satisfaction: over 250 councils now signed up.**
- **National media work to raise the reputation of local government, generating positive coverage for local government in the national media and rebutting negative coverage about the sector.**



5. Your LGA

“Local authorities need to adopt a leadership style that engages local partners, builds alliances and secures support for joint priorities... I therefore welcome the LGA’s review of its role and relationships through the Best Commission. The LGA is likely to have a critical role in reshaping the role of local government and developing the relationship between local and central government.”

Lyons Report, March 2007

In September 2006, the LGA’s Independent Commission, chaired by Lord Best, set out to re-examine the LGA’s relationships with its member councils, partners and government. It carried out a series of regional meetings, roundtable events and one-to-one meetings across England and Wales to draw in views from members, councils, stakeholder groups and partner organisations. The commission reported its conclusions and 18 recommendations in March – summarised as follows in Lord Best’s foreword:

First, that the LGA is well placed to make a crucial impact on the future constitutional settlement between central and local government: central as well as local government

wants a strong voice at the table where the shift from centralism to greater local autonomy is negotiated.

Second, that after ten years of arguing the case for local government at the national level, the LGA has won the trust and respect of the relevant individuals in government and in partner bodies.

Third, that there is a disconnection between the central LGA with its close Westminster and Whitehall ties, and the wider membership in the regions. Away from London, councils see a clear need for the LGA to re-engage with members, rebuild two-way lines of communication and take advantage of the talent and knowledge within member authorities up and down the country.

The LGA welcomed the report and the insights that the Commission provided into the association and its relationships, and in June published a recommendation by recommendation response to its findings.

Our future

As the Independent Commission reported its findings, the LGA was out and about across the country, under the banner of “Raising our Game”, discussing with councils the key improvement challenges ahead and exploring how we can best work together to tackle them.

The findings of these two reviews have been brought together into one short action-based document, setting out the way forward for the LGA, central bodies and councils. Called *Our future: a prospectus for local government*, it is based around four core propositions:

A framework for excellence

That all councils adopt and work to a nationally agreed framework of excellence developed by the sector.

Staying ahead

That there are a small number of critical work programmes or performance issues that local government as a whole needs to commit to in the year.

Local government as a sector and developing the LGA

That councils, the LGA and the central bodies need collectively to deepen and strengthen their relationships and at the same time develop stronger partnerships with other sectors and with government.

Developing the local alternative

That councils should be determined to lead the development, and drive forward the implementation, of a more local approach to public service improvement and the reinvigoration of our democracy, but that this requires a bold decentralisation, a devolutionary agenda and renewed partnership with central government.

The Prospectus is intended to be dynamic and to stimulate debate across all parts of the local government sector and with partners and government. Ultimately we hope that all councils will commit to it as a powerful and exciting platform from which to move forward.

Alongside the Independent Commission report and Prospectus is the LGA Business Plan, setting out financial data, priorities, actions and resources for the coming year.

All of these reports are available through LGConnect on 020 7664 3131 or email info@lga.gov.uk

Some of our products for councils

News, Briefings and Alerts



- First magazine – nearly 30,000 copies full of news and views read each week.
- Daily news headlines bulletin – sent to over 2,000 people, giving a round-up of local government in the national media.
- LGA weekly round-up – sent out every friday.
- Monthly bill bulletins – horizon scanning the goings-on in central government.
- Special alerts – keeping councils in the picture.

Web and Information

- New website – around 70,000 visits per week.
- First online – launched in May 2007, providing the latest news and comment direct to your desktop.
- The LGA information team – handles around 1,500 calls per week from and about local government, along with a host of emails and faxes.
- Guides and fact sheets – from election cycles and council statistics to research papers and rough guides to bills.



Conferences and Campaigns

- Conferences and events – attracting over 10,000 participants annually; politicians, officers, and from the business and voluntary sectors.
- Campaigns – from raising reputation to collecting rubbish; from better care for the elderly to connecting councils with young people.

Please send your questions and comments to
info@lga.gov.uk



We're all ears!





For further information about the work of the LGA please contact the Local Government Association at:

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www.lga.gov.uk

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