

# IDeA Company Board

## Agenda

Wednesday, 22 January 2014  
4.00 pm

Smith Square 1&2, Ground Floor, Local  
Government House, Smith Square, London,  
SW1P 3HZ

**To:** Members of the IDeA Company Board  
**cc:** Named officers for briefing purposes

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

**Company Name:** Improvement and Development Agency for local government **Place of Registration:** England  
**Registered no and address:** 3675577 - Local Government House, Smith Square, London, SW1P 3HZ

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**Please don't forget to sign out at reception and return your badge when you depart.**

**IDeA Company Board**  
22 January 2014

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There will be a meeting of the IDeA Company Board at **4.00 pm on Wednesday, 22 January 2014** Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

**Attendance Sheet:**

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

**Apologies:**

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

<b>Labour:</b>	Aicha Less: 020 7664 3263	email: <a href="mailto:aicha.less@local.gov.uk">aicha.less@local.gov.uk</a>
<b>Conservative:</b>	Luke Taylor: 020 7664 3264	email: <a href="mailto:luke.taylor@local.gov.uk">luke.taylor@local.gov.uk</a>
<b>Liberal Democrat:</b>	Group Office: 020 7664 3235	email: <a href="mailto:libdem@local.gov.uk">libdem@local.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224	email: <a href="mailto:Vanessa.Chagas@local.gov.uk">Vanessa.Chagas@local.gov.uk</a>

**Location:**

A map showing the location of Local Government House is printed on the back cover.

**LGA Contact:**

Daniel Kalley (Tel: 020 7664 3005, email: [daniel.kalley@local.gov.uk](mailto:daniel.kalley@local.gov.uk))

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## IDeA Company Board - Membership 2013/014

Councillor	Authority
<b>Conservative (3)</b>	
Peter Fleming [ <b>Chairman</b> ]	Sevenoaks DC
Sir Merrick Cockell	RB Kensington & Chelsea
Gary Porter CBE	South Holland DC
<b>Labour (1)</b>	
David Sparks OBE	Dudley MBC
<b>Liberal Democrat (1)</b>	
Gerald Vernon Jackson	Portsmouth City
<b>Independent (1)</b>	
Marianne Overton	Lincolnshire CC
<b>Other Directorships</b>	
<i>Philip Sellwood, Chief Executive, Energy Savings Trust</i>	<i>Private sector</i>
<i>Richard Priestman, Managing Director Corporate Businesses, Lombard</i>	<i>Financial/Productivity Expertise</i>
<b>1 Representative from CLG (TBA)</b>	

<b>Company Secretary</b>	
Carolyn Downs	Chief Executive, LGA

## Agenda

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### IDeA Company Board

Wednesday 22 January 2014

4.00 pm

Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

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7. Date and time of next meeting		

Thursday 20 March 2014, 4.00pm, Westminster Suite  
room 8.1 (8<sup>th</sup> Floor)

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**Date of Next Meeting:** Thursday, 20 March 2014, 4.00 pm, Westminster  
Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ



Document is Restricted





## **Business Case for RSG 2015/16**

### **Purpose of report**

To advise the IDeA Board about work in hand to prepare the business case for revenue support grant (RSG) in 2015/16.

### **Summary**

This report provides an update on work taking place to prepare a business case for revenue support grant for the financial year 2015/16. It reminds the Board of the work delivered through top-slice since 2011/12 and proposes the key strategic themes for the use of top-slice in 2015/16.

### **Recommendations**

That the IDeA Board:

- 1) notes the work being carried out to develop the business case for RSG in 2015/16;and
- 2) comments on the proposed programme themes.

### **Action**

Officers to develop the business case and circulate to Board members over the coming weeks, prior to being submitted to CLG.

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## **Introduction**

1. The current agreement between central government and the LGA for top-slice covers the spending period from 2011/12 through to 2014/15. In the provisional financial settlement for local government, CLG have indicated that the revenue support grant for the IDeA in 2014/15 will be £26m. This is in line with our expectations. The provisional settlement also indicates that the level of top-slice set aside for 2015/16 is £23.8m.
2. CLG has asked that we submit a business case for our funding for 2015/16. This is a process that all organisations funded by CLG have to undertake.

## **Business Case**

3. Officers are discussing with CLG officials the information they need to be included in the business case and the deadline for submission.
4. It will include:
  - 4.1 A summary of how top-slice has been used to date
  - 4.2 The case for top-slice
  - 4.3 Detailed programme of delivery for 2015/16
  - 4.4 Financial information
  - 4.5 Evaluation proposals

## **What we have delivered**

5. A key strand of our offer to date has been our support for sector-led improvement. RSG top-slice provides excellent value for money, helping councils take responsibility for their own improvement and performance, replacing the very expensive, top-down system of performance management and inspection that was estimated to cost the taxpayer £1.5 billion a year.
6. Over the last three years, councils have demonstrated they have been willing to take collective responsibility for the performance of the sector as a whole by collaborating, sharing good practice and providing robust peer challenge and support. As a consequence, with RSG funding, the sector has been able to establish and maintain a comprehensive, highly effective and extremely efficient programme of support.
7. In addition to the theme of sector led improvement; the funding has been used to support key programmes under the themes:
  - 7.1 productivity
  - 7.2 strong political and managerial leadership
  - 7.3 local budgets and local accountability
  - 7.4 strong local economies

- 7.5 transformed local workforce.
- 8. Between April 2011 and December 2013 some of our key deliverables include:
  - 8.1 over 300 peer challenges of various types
  - 8.2 trained and provided development opportunities for over 2,000 councillors
  - 8.3 supported councils to make savings in excess of £300m through our Productivity programme
  - 8.4 recruited and trained almost 250 talented graduates for the sector
  - 8.5 launched LG Inform a tool providing the most comprehensive set of comparable performance and finance data that is available to councils and the wider public
  - 8.6 supported councils to grow their local economies through a range of support
  - 8.7 continued to provide the national pay bargaining machinery for the sector as well as supporting councils addressing their workforce challenges.

### **The Case for Top-slice**

- 9. RSG top-slice enables councils to do things they would not be able to do on their own or things it would be costly for individual councils to undertake as they take steps to find further significant savings at the same time as developing new ways of working to serve the public better. It also enables us to put in place collaborative structures, systems, processes and relationships to the benefit of CLG and the sector that would have proved far more costly had they been implemented independently by the Department or councils.
- 10. Top-slice also levers in additional resources from the sector. For example, by March 2014, it is estimated that more than 2,500 peer days will have been donated by councils to the Corporate Peer Challenge programme alone. This equates to millions of pounds worth of consultancy and it is delivered by respected and highly experienced councillors, officers and experts from beyond local government. Independent evaluation demonstrates that sector led improvement works.
- 11. Finally, for every pound of top-slice we are able to help councils deliver savings far in excess of that figure.

### **2015/16 Programme**

- 12. We are proposing to use RSG to support councils in five broad areas of work:
  - 12.1 Sector led improvement
  - 12.2 Efficiency and productivity
  - 12.3 Strong political and managerial leadership
  - 12.4 Strong local economies
  - 12.5 Transformation and Integration

**Item 2**

13. Detailed proposals are now being worked up against each of these programme headings together with the other sections of the business case.
14. The Board are asked to provide comments on the proposed themes and any key activities they wish to be included.

**Next steps**

15. A draft of the business case will be circulated to Board members over the coming weeks, prior to being submitted to CLG. Officers are still in discussion with CLG about the exact timing of the submission. We've agreed the importance of ensuring the business case captures the evaluation of sector led improvement which is underway and is due to be brought together in February.



**IDeA Company Board**

22 January 2014

**Item 3**

## **Third quarter performance report - 2013/14**

### **Purpose of report**

For review.

### **Summary**

The attached performance report reviews the LGA's progress in delivering the priorities in the 2013/14 business plan for the first nine months of the financial year. It covers:

- Delivery of the LGA's programmes
- Financial performance
- Corporate health
- Strategic risk management

This includes those elements of the business plan that relate to the LGA's improvement work, as steered and overseen by the Improvement Board and the IDeA company board.

Resources for the LGA's improvement work continue to be held by the IDeA company, although the operations of the LGA and its associated companies are now fully integrated under one management structure. The IDeA's management accounts to the end of December 2013 are included at **Appendix E**. These show that for the total projected underspend of £1.5m for the year, £1.1m is attributable to the IDeA.

### **Recommendation**

The IDeA Board is asked to review the third quarter's performance report and the IDeA's management accounts to the end of December 2014.

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## **2013/14 Performance Report**

**First nine months: April – December 2013**

**Item 3**

**Introduction**

**Background**

1. The annual business plan for 2013/14 for the LGA was agreed by the Executive in March 2013. We undertook to review the impact of our work and our delivery against the priorities in the business plan through robust performance management including regular reports to members on the LGA Leadership Board.
2. The following performance framework has been put in place to monitor delivery against the business plan:
  - 2.1. a progress report on achieving the outcomes in the business plan with information on the key milestones and deliverables for each area of work
  - 2.2. management accounts summarising the overall financial performance of the LGA and its associated companies
  - 2.3. a report on performance against the Corporate Health Indicators set out in the business plan, to enable us to review our own efficiency and effectiveness
  - 2.4. the LGA's strategic risk register, which is regularly reviewed and updated by the Strategic Management Team.
3. The performance information for the third quarter to the end of December 2013 is now presented in the detailed appendices to this report. A summary of the key issues arising is set out below.

**Delivery of the LGA's programmes**

4. A summary of delivery against each of the work programmes in the 2013/14 business plan is included at **Appendix A**. This sets out, for each objective, what has been delivered with a commentary on progress to date. A standard traffic light rating has been applied as follows:

TL	Definition	Total
<b>G</b>	<b>Work programme delivered or on track to be delivered</b>	<b>38</b>
<b>A</b>	<b>Work programme at risk of not being delivered</b>	<b>3</b>
<b>R</b>	<b>Work programme will not be delivered</b>	<b>0</b>
		<b>41</b>



**Item 3**

5. The performance report shows that we are on track to deliver 38 of the 41 programmes identified in the business plan. This assessment relates to delivery of the LGA's operational programmes where the overall conclusion is that work is underway and on track in all areas. The sector-led improvement programmes for children's services and adult social care and health, which were assessed as "Amber/Green" at the end of September are now assessed as being "Green" following work undertaken in the last quarter to agree and launch the programmes.
6. While the performance report shows that delivery in most areas is following the agreed plan of work for the year, we recognise that a separate assessment would be useful to determine the impact of that work. This will be carried out at the end of the financial year.
7. The performance report identifies three corporate objectives where we are at risk of not achieving our objectives: with 3 of the 41 at risk of not being achieved (AMBER) – Full Membership, Accessible Information and Financial Sustainability. These are set out below:

<b>Business Plan Outcome</b>	<b>Commentary</b>
<p><b>Full membership</b> - we will maintain membership levels amongst local authorities in England and Wales - including fire and rescue, integrated transport and national park authorities - by enhancing the benefits and reducing the costs of membership. We will introduce a 'loyalty discount' for members and continue to communicate on the benefits of membership directly with individual councils and all councillors. <b>AMBER</b></p>	<p>15 councils are currently on notice to leave the LGA in April 2014.</p> <p>Loyalty discount introduced and in operation.</p> <p>Benefits of membership booklets sent to all councillors and CXs of all member councils.</p> <p>100% of subscriptions collected.</p> <p>National Park Authorities now moved to corporate membership scheme through National Parks England.</p> <p>Governance proposals developed in response to notice by the Core Cities.</p>
<p><b>Accessible Information</b> – we will focus on achieving improvements for our customers and supporting them with sharing information and knowledge as well as reductions in our costs through a coherent, affordable programme of ICT development which aligns with our overall activities. <b>AMBER</b></p>	<p>Progress with in-year ICT developments: Sharepoint; Committee Management System; Conferences and Events booking system. All on track to be delivered during 2013-14 although original target dates for implementation will not be met. Knowledge Hub was successfully transferred to Liberata in November 2013.</p>
<p><b>Financial sustainability</b> - we will work with our member authorities and government to ensure we secure core funding for the LGA from 2015/16 from subscriptions and LGA top-slice <b>AMBER</b></p>	<p>Issues regarding the LGA and IDeA pension deficits identified and strategy for dealing with these now being developed.</p> <p>Options appraisal of Layden House underway.</p> <p>Work on business case for RSG topslice from 2015/16 now in train.</p>

**Item 3**

**Financial Performance**

8. The management accounts to the end of November 2013 are included at **Appendix B** and show the following:
  - 8.1. An overall underspend of £1.5m is projected for the year against agreed operating budgets.
  - 8.2. This is due mainly to the programme of planned savings agreed by the Leadership Board in May 2013 of £1,055k in non-pay budgets and reductions in staffing leading to an underspend of £1,175k on pay costs, offset by severance costs of £494k.
  - 8.3. The following overspends against operational budgets are also being projected:
    - 8.3.1 Member Services - £100k because of a delay in implementing governance changes. These are now being agreed at the General Assembly in January 2014
    - 8.3.2 Peer Support - £200k because of a higher than projected take-up of free peer challenges
    - 8.3.3 Corporate costs - £100k due to additional legal fees arising from the KHub disposal and consultancy relating to the Commercial Review of the LGA's services
    - 8.3.4 ICT development costs - £150k due to investments in Sharepoint and the Conferences and Events booking system
    - 8.3.5 Liberata costs - £245k due to some delays in implementing the planned programme of cost savings, although savings of £1m will have been achieved on the overall contract price compared with 2013/14.
  - 8.4. These additional costs are offset by additional income from a number of sources, including additional rental income for Local Government House and funding for peer reviews from grant-funded programmes.

**Corporate Health Indicators**

9. The second quarter's report on the LGA's Corporate Health Indicators is presented at **Appendix C**. Key issues for the period under review are:
  - 9.1. **Membership** - the number of authorities out of membership has been maintained at 2. The number of authorities on notice to withdraw in April 2014 is currently 15. Of the councils on notice, 8 are core cities and we await their response to the governance changes being considered by the General Assembly later this month. The number of authorities regularly rolling over their notice to withdraw has reduced, indicating that the 2013/14 loyalty discount offering a 2.5% subscription reduction has had a positive impact.

### Item 3

- 9.2. **Our reputation** – we commissioned a second annual perceptions survey which took place in the autumn of 2013, involving a broadly representative sample of over 900 members and senior officers. This report is currently being finalised and will be reported to Leadership Board in February. The performance framework will be updated at the same time.
- 9.3. **Financial sustainability** - total headcount has reduced in the course of the year in line with the agreed reduction to the number of core posts, following the last minute announcement of a £2m cut in RSG topslice. Debtor balances have reduced in the third quarter following receipt of grant income from the Department of Health. A small proportion of balances over 12 months old relating to Conferences and Events are still outstanding but are being actively pursued.
- 9.4. **Employee survey** – the annual employee survey shows increases in all aspects of employee satisfaction. Nonetheless, work is continuing on improving employee morale on specific issues and in individual teams using the results of the survey to focus effort and make improvements.

### Strategic Risk Register

10. The updated version of the LGA's strategic risk register is included at **Appendix D**.
11. The top five strategic risks identified for the LGA are:
- 11.1. Impact/delivery
  - 11.2. Membership
  - 11.3. Financial Sustainability
  - 11.4. Shared Services Contract
  - 11.5. People Management.
12. The assessment of these risks remains unchanged as compared with the last quarter, apart from Financial Sustainability where the risk that we will not be financially viable is considered to have reduced, in view of progress in December 2013 in negotiating the additional pension contributions for the LGA for the next three years as a result of the triennial valuation of the Merseyside and Camden pension schemes. Annual pension deficit payments will increase by £0.8m to £4.7m from 2014/15 – this is considered to be a manageable increase particularly when coupled with the £0.5m reduction in risk premium payments for the Merseyside Fund which has also been negotiated, resulting in a net increase in £0.3m in pension costs in 2014/15.

### Conclusion and next steps

13. Leadership Board is invited to comment on the LGA's overall performance in the first nine months of 2013/14.
14. The full-year performance report will be presented in May 2014.



Reporting manager		What have we delivered and is it helping to achieve the business plan outcome?		Traffic light: are we on track to deliver what we said we would deliver by year end?
<b>Business Plan outcome</b>				
<b>Funding for local government:</b> Reform of the finance system so councils have confidence that their financing is sustainable and fair, the opportunities to raise more funds locally and greater ability to promote collective working across local public services.				
<p><b>Future spending reviews deliver fair, timely and flexible local government finance settlements, in particular for social care, children's services and waste.</b> Based on our earlier research showing a likely funding gap of £16.5 billion, we will develop models for the future funding of local services in support of community budgets, as well as proposals for the reform of the local government finance system.</p>	Alan Finch	<ul style="list-style-type: none"> <li>Children - CIPFA research on S251 Officer costs underway; children's rewiring policy work discussed with the sector; data collated on shortfall in post-16 high needs funding</li> <li>Financial elements of rewiring discussed by Finance Panel task and finish group and Executive.</li> <li>Autumn Statement and LG Settlement - Executive approved our pre-statement submission. LGA secured a number of lobbying wins from Autumn Statement that were reported to Executive on 12th Dec and subsequent additional wins in the LG Settlement</li> <li>Barnett - initial press release secured wide coverage; research on alternative funding formulas being commissioned</li> </ul>	Green	
<p><b>There is a debate on options for independent local taxation including de-regulated council tax and fully localised business rates.</b> We will encourage a debate on local financial autonomy and the future of local government finance as part of our campaign for independent local government.</p>	Alan Finch	<ul style="list-style-type: none"> <li>Council Tax banding paper produced</li> <li>Debate on council tax reform included in rewiring proposals</li> <li>NAO study complete and report published 13 Dec</li> <li>Briefings, meetings with Lords on Referenda; similar planned for HoC after recess</li> <li>Analysis of first year localised council tax benefit on track to be launched in Jan 14</li> </ul>	Green	
<p><b>There is sustainable funding for adult social care.</b> We will continue to lobby for resources to ensure a sustainably funded adult social care system is the foundation for longer term changes to care and support, and work closely with councils to develop a clear understanding of the scope for further efficiency savings to ensure maximum return for taxpayers.</p>	Alan Finch	<ul style="list-style-type: none"> <li>research undertaken on NHS funding development formula</li> <li>assisting with modelling survey</li> <li>Provided calculations on the possible cost impact of the universal deferred payment scheme on English local authorities</li> <li>Participating in the development of the new Relative Needs Formulae used to distribute funding for adult social care, as part of the Project Advisory Panel. A consultation to follow in spring/summer 2014.</li> </ul>	Green	
<p><b>The financial consequences of the government's recent reforms, which we assess will result in a £1 billion additional shortfall beyond the current spending review targets, are understood by government and significantly reduced.</b> We will represent local government's interests in the areas of business rates retention, localised council tax support, Early Intervention grant, the transfer of Public Health grant, a raft of new regulation from the EU, and the devolution of EU fines to councils.</p>	Alan Finch	<ul style="list-style-type: none"> <li>New Homes Bonus: Lobbied against the £400m topslice. Local Government has now got £330m back</li> <li>Business Rates retention - analysis has been undertaken of scheme in operation - to be published in Jan</li> </ul>	Green	
<p><b>Councils are effective in dealing with the impact of reduced funding, taking steps to ensure that they continue to be financially sustainable.</b> We will provide practical support and advice to councils on surviving financially, coping with uncertainty and taking big difficult decisions on spending.</p>	Alan Finch	Each local authority has received a financial sustainability spidergram report. A second generation model has been prepared and will be sent to councils shortly	Green	

<p><b>Councils have devolved powers and are able to develop new and innovative ways to encourage investment and create jobs.</b> We will make the case for local authority bonds and explore opportunities for pension fund investment in infrastructure along with other ways to raise finance.</p>	<p>Paul Raynes</p>	<ul style="list-style-type: none"> <li>Phase 1 of the bonds project is now complete and we have 20 councils prepared to be publicly associated with the project with a further 21 expressing varying levels of interest</li> <li>Executive Board approved a move to phase 2 on 21st November</li> </ul>	<p><b>Green</b></p>
<p><b>Councils have the opportunity to generate new income streams and new approaches to commissioning.</b> We will build on the work we have been doing with councils in the main areas of spend - children, adults and families - and also procurement and capital and assets, to share learning and good practice across different public agencies.</p>	<p>Alan Finch</p>	<p>Our social investment work has so far delivered a number of workshops, articles, board bulletin items, blog posts; and 4 PAs have been trained</p>	<p><b>Green</b></p>
<p><b>Public Service Reform:</b> Independent councils are at the centre, and are seen to be at the centre, of public service reform, delivering more effective services for local people and holding other providers to account.</p>			
<p><b>There is a fundamental and ambitious rethink to the way local services are funded and organised to achieve the economic and social benefits as well as short and long-term savings from full integration.</b> We will work with the whole place community budget pilots to enable other areas to follow their approaches, identify the national financial impact of scaling up the pilots' proposals, and identify and lobby for the changes that Whitehall now needs to make.</p>	<p>Paul Raynes</p>	<ul style="list-style-type: none"> <li>Community Budgets endorsed in spending round with new organisational and financial support for councils undertaking transformation work</li> <li>The Locality/LGA bid to run the Our Place support contract was successful</li> </ul>	<p><b>Green</b></p>
<p><b>Adult social care is reformed so that the individual's experience of care and support is improved.</b> We will continue to influence the wider reform agenda in adult social care to ensure the new system is easier to navigate, provides quality services and supports people to plan ahead for the future. We will help make the appropriate connections between care, health, housing and benefits so that the reform agenda is based on the principle of supporting individuals' general wellbeing.</p>	<p>Sally Burlington</p>	<ul style="list-style-type: none"> <li>Care Bill Bulletin and Website launched. 1,600+ bulletin recipients. Focus on informing councils of the actions/options they need to take to implement The Bill</li> <li>Financial modelling underway (led by ADASS) and a new focused sub-group examining the costs of the reforms to local authorities</li> <li>Joint Programme Office established (with significant LGA and ADASS resource)</li> <li>Implementation support vision developed and additional implementation funding identified for councils and regional infrastructures</li> </ul>	<p><b>Green</b></p>
<p><b>Children's services meet the needs of children and young people and their families based on local needs and priorities.</b> We will work to ensure that reforms to councils' statutory duties and other policies are appropriate and fully funded, enabling councils to work with local partners to keep children safe, provide high quality care, support early intervention and deliver good long-term outcomes including health, educational attainment and a good transition to adulthood.</p>	<p>Helen Johnston</p>	<ul style="list-style-type: none"> <li>Adoption reform - lobbying success as Gov't accepted amendments that bring in safeguards against use of Clause 3; and agreement between LGA, Ministers and adoption agencies to establish adoption leadership board</li> <li>Child sexual exploitation - 2 events delivered; and LGA referenced in OCC Inquiry report as leading on national CSE strategy</li> <li>Residential children's homes - action learning research learning shared; responses submitted to consultations and Cllr Light oral evidence at Select Ctee</li> <li>Discussion paper produced on extended family support</li> <li>Education - scrutiny report launched at NCAS; successful SEN conference held on 10th Dec</li> <li>Post 16 - Evidence submitted to Heywood Review and report published on national programmes for young people; tracking and planning tool published to support councils to deliver raising participation age</li> </ul>	<p><b>Green</b></p>
<p><b>Councils have a role in managing welfare reform and ensuring that local people are fully supported when these benefits and tax changes come in to place.</b> We will work on behalf of councils to shape the development of welfare reform and Universal Credit, provide an analysis and evidence of what is likely to happen, and raise awareness of how councils can help residents.</p>	<p>Paul Raynes</p>	<p>The Government's reset of Universal Credit has resulted in the role of councils in delivery being significantly strengthened and improved.</p> <ul style="list-style-type: none"> <li>The government's Local Support Services Framework incorporates a number of LGA lobbying asks</li> <li>Successful welfare reform conference held in Dec</li> <li>Responded to Autumn Statement announcement on extra DHP funding for the next 2 years by saying it has gone some way towards meeting councils' concerns but that the current allocation of DHP is not sufficient and does not reflect changing geographical need</li> <li>Single Fraud Investigation Service - LGA is lobbying to influence development of the SFIS with a view to minimise disruption to councils' non-benefit fraud work</li> </ul>	<p><b>Green</b></p>

<p><b>Councils work effectively with Police and Crime Commissioners and other partners to deliver safe communities.</b> We will identify examples of good practice in joint commissioning community safety, reducing re-offending and reducing violence against women and girls, and will support police and crime panels to ensure they hold PCCs to account.</p>	<p>Helen Murray</p>	<ul style="list-style-type: none"> <li>• National resilience: CfPS completed research into Police and Crime Panels 1 year on and commissioned to deliver guidance on Police and Crime Panel scrutiny; improvement support also commissioned; further fire reform work commissioned, including work on pensions</li> <li>• Community safety improvement: projects delivered to plan; future community safety improvement strategy paper discussed by Board lead members in Dec</li> </ul>	<p><b>Green</b></p>
<p><b>Councils support and build the resilience of communities so they are able to thrive in the face of challenging economic conditions and the significant restructuring of services.</b> We will commission work so councils and councillors understand their role in developing the council of the future, having intelligent conversations with local people on the services they can afford to provide, including reducing demand and changing behaviour.</p>	<p>Helen Murray</p>	<ul style="list-style-type: none"> <li>• FGM and CSE / Comm budgets - Contributed to a Home Office event for PCCs on commissioning of domestic abuse and sexual violence services Nov; Agreed programme of activity on FGM with the Board's lead members.</li> <li>• New Scrap Metal Dealers Act - advice given to councils on implementation; given presentations at licensing events across the country</li> <li>• Victims Services - Contributed to a Home Office and APCC event on the commissioning of services for victims of domestic abuse and sexual violence</li> <li>• Serious and Organised Crime Strategy – agreed joint (with OSCT) letter to Chief Execs; conducted workshop at annual SC conference; co-wrote article with OSCT for First; assisted in development of Roadshows for councils &amp; police</li> <li>• Antisocial behaviour, crime &amp; policing Bill - Amendments made to Bill at report stage in Commons to give councils greater powers to tackle anti-social tenants in private rented accommodation</li> </ul>	<p><b>Green</b></p>
<p><b>Councils lead the future direction of waste policy and set the agenda for reducing waste and increasing re-use and recycling whilst reducing cost pressures.</b> We will lead a review which will champion local innovation and best practice and enable us to lobby in Westminster and Brussels on future funding gaps and more local decision-making.</p>	<p>Paul Raynes</p>	<ul style="list-style-type: none"> <li>• Ongoing communication of the key messages from our 'Wealth from Waste' publication</li> <li>• Work to establish a reuse commission has begun a call for evidence for case studies has been issued</li> </ul>	<p><b>Green</b></p>
<p><b>The local government workforce is able to deliver the services required by local citizens.</b> We will negotiate national agreements that are seen as fit for purpose by councils, represent their interests in reforming the Local Government Pension Scheme and continue to develop practical advice for their workforce challenges.</p>	<p>Sarah Messenger</p>	<ul style="list-style-type: none"> <li>• A pay deal has been agreed with the Fire Brigades Union for an increase of 1% w.e.f. 1 July 2013 and reform of the car mileage rates to HMRC levels.</li> <li>• A pay deal has been agreed with the LGS unions for an increase of 1% and the deletion of the bottom point on the salary spine to ensure compliance with the NMW. A pay deal has also been agreed with the Soubury trade unions for an increase of 1%.</li> <li>• Both of these deals are within the negotiating parameters set by the relevant employers and include important developments on ensuring reform of the employment package is an ongoing part of our interaction with the unions.</li> <li>• We are working with over forty councils delivering a range of future workforce projects including layers and spans of control, workforce planning, strategic pay and reward reviews/benchmarking, organisational design, social care standards, public health workforce transition, employee engagement support and various bespoke consultancy work.</li> <li>• Our employment legal advisors and Pensions Team continue to provide a telephone/web based advice service to councils which is always in demand.</li> <li>• We have also delivered a national conference on social enterprises and several pensions advice workshops in this period.</li> <li>• We have reached agreement on a reformed Local Government Pension Scheme. In partnership with LG unions we were able to persuade the government to significantly amend the public service pensions bill as it passed through parliament</li> <li>• We have published guidance for payrolls and HR managers for LGPS 2014</li> <li>• We have implemented a wide ranging LGPS scheme member communications plan</li> <li>• We have successfully supported councils and schools in implementing automatic enrolment legislation</li> <li>• We reached agreement with DoH and health unions on the pension rights of transferring public health staff</li> <li>• We have worked in collaboration with other national and international social partners to influence EU pensions policy</li> <li>• We have issued a discussion document to councils providing advice on reforming terms and conditions at local level and asking for their views on what support they would want from the LGA</li> </ul>	<p><b>Green</b></p>

<p><b>Councils have a key role to play in driving economic growth, new jobs and wealth creation</b> - we will produce clear evidence - from home and abroad, that national economic recovery can be driven and supported by deeper devolution and through local economic leadership by councils and their partners</p>	<p>Ian Hughes</p>	<ul style="list-style-type: none"> <li>• LEPs - worked with LEP network on events for councillors</li> <li>• Adult skills and employment - lobbied for localised help to work schemes; ran employment workshop at Dec Welfare conference; responded to gov't back to work consultation</li> <li>• High Streets - town centre manager survey conducted and media work undertaken to share findings</li> <li>• Research being commissioned on fragmentation of growth funding and the cost of competing for funding</li> <li>• Local Gov'ts role in promoting trade and investment opportunities - Chairman hosted a roundtable with Commonwealth LG Forum executive in November</li> <li>• Culture and growth - case studies have been developed and will form part of a publication on good design and growth in Feb</li> <li>• Libraries - Lead members have written to the Culture Secretary to press for LGA representation on the panel conducting the independent libraries review</li> </ul>	<p><b>Green</b></p>
<p><b>National and European economic policy in areas such as transport, skills, state aid and broadband fit with local economies so that local strategies support national economic recovery</b> - we will lobby for devolution of powers, policy and funding streams, as supported by Lord Heseltine, to ensure more effective use of resources and lobby for the opportunities for the City Deal cities to be made available to all areas</p>	<p>Ian Hughes</p>	<ul style="list-style-type: none"> <li>• Transport - streetworks meetings with utilities and business will result in joint statement about 'what good looks like'; rewiring roads campaign being drawn up</li> <li>• EU lobbying: London - EU Fines panel established and work on processes ongoing; response prepared to EU State Aid review; EU lobbying priorities summit with Whitehall cancelled and consequently we have requested urgent meeting with gov't to pursue this</li> <li>• EU lobbying: Brussels - 2014 priorities set and lobbying ongoing; Congress UK peer review position established and 2 review visits facilitated</li> </ul>	<p><b>Green</b></p>
<p><b>Councils maintain their planning powers and freedoms and there is certainty and stability in the planning system</b> - we will continue to make the case for local decision-making on planning, and provide support to councils in developing local plans</p>	<p>Paul Raynes</p>	<ul style="list-style-type: none"> <li>• Unimplemented planning permissions - research complete; QA and finalising report</li> <li>• Fracking: Draft policy position agreed by the Board</li> </ul>	<p><b>Green</b></p>
<p><b>Councils drive the increase in the housing supply that the nation needs</b> - we will continue to make the case for councils to promote affordable and social housing and by using their own borrowing power and encouraging third parties through the planning system, and will work to ensure councils have the tools to manage the housing impacts of welfare reform</p>	<p>Paul Raynes</p>	<p>Following LGA lobbying, HRA borrowing cap partially lifted and gov't has announced a review of the role of local authorities in the delivery of housing</p> <ul style="list-style-type: none"> <li>• Survey of self-financing LAs has provided updated evidence on issues such as rent arrears and the potential for house-building</li> <li>• Submitted evidence to lobby for changes to the Right to Buy as part of the Deregulation Bill consultation</li> <li>• Interviews with a range of councils, HCA, local partnerships and NHF taking place to inform a publication highlighting opportunities to leverage investment for housing locally.</li> </ul>	<p><b>Green</b></p>
<p><b>EU funding is devolved to local partnerships as part of a wider package for local growth</b> - we will lobby at European and national level to ensure that all places have the opportunity to influence provision in their area in the seven years to 2020, with local authorities and their partners, with Government, deciding how they wish to organise themselves for this</p>	<p>Ian Hughes</p>	<p>£5.3b ESIF</p> <ul style="list-style-type: none"> <li>• LGA paper delivered by members to 6/11 EU funds Programme Board; Chairman wrote article First 14/12</li> <li>• EU funds/local &amp; central gov't - LGA members led debate at ESIF Growth Board 6/11; Lobbied for greater involvement in Partnership Agreement and Operational Programmes and EU rural funds to be integrated with ESIF. LGA Chairman met Baroness Stowell 28/11</li> <li>• Collaborative work with partner organisations - Briefed all LEPs on LGA paper ahead of Gov't event on proposed new performance management regime; Commissioned research on lessons of ESIF for future local economic development.</li> <li>• Council role in international trade - Joint LGA/UKTI awareness raising report drafted; Member survey completed</li> </ul>	<p><b>Green</b></p>



<p><b>Councils promote economic growth through their capital and assets</b> - we will directly support councils to deliver reductions in running costs and their carbon footprint, raise capital receipts and deliver growth outcomes such as housing and disseminate the learning from this.</p>	<p>Brian Reynolds</p>	<ul style="list-style-type: none"> <li>• The LGA/Government Property Unit 'One Public Estate Programme' launched on 25th June 2013; a central-local programme aiming to aid local and central government asset holders to 'unlock' any barriers that may be preventing a more integrated approach to capital assets across a locality. The pilot authorities are: Bristol, Chester and Cheshire West, Essex, Hampshire, Hull, Leeds, Nottingham, Portsmouth, Sheffield, Surrey, Warrington and Worcestershire.</li> <li>• The LGA have been commissioned to run this project on behalf of the Cabinet Office, based upon our successful three previous waves of a similar capital and asset programme (CAP).</li> <li>• The Economic Growth Advisors programme was launched in July; 74 bids from over 90 councils were received, and 62 councils have been accepted as part of the programme. The scheme will fund specialist advisors both from within the public and private sectors to work with councils and provide them with expertise in economic growth and regeneration.</li> </ul>	<p style="text-align: center;"><b>Green</b></p>	
<p><b>Councils support green growth by taking action on energy efficiency and reducing the costs of energy</b> - we will champion councils' role in leading action on energy efficiency and green energy and ensure they have the flexibility and resources to support local initiatives to reduce energy costs, tackle fuel poverty and build resilience to climate risks</p>	<p>Paul Raynes</p>	<ul style="list-style-type: none"> <li>• Case studies published on council role in tackling fuel poverty; Financing energy efficiency case studies also produced, to be made available on LGA and Climate Local sites</li> <li>• Improving Green Deal and ECO - agreed with Greg Barker that LG and Central Gov't would work together to identify areas to reduce red tape</li> <li>• 80 councils signed up to climate local, Roadshows attracted over 160 delegates</li> </ul>	<p style="text-align: center;"><b>Green</b></p>	
<p><b>Councils drive tourism and the visitor economy</b> - we will promote and support councils' leadership role by ensuring they have the necessary levers over planning, finance, skills and transport, and investment in the arts, sport and culture.</p>	<p>Paul Raynes</p>	<ul style="list-style-type: none"> <li>• Launched visitor economy publication setting out key policy proposals and 15 new case studies on how councils are driving growth through the visitor economy</li> <li>• Support portfolio holders to unlock growth through the visitor economy.</li> <li>• 20 portfolio holders supported at two Culture Leadership Academies in October and December, which included sessions on culture-led tourism. The LGA Chairman and Chair of the CTS Board met the Chairman and Chief Executive of VisitEngland on 19 December to secure support for our policy proposals that will help councils to improve the productivity of the tourism sector</li> </ul>	<p style="text-align: center;"><b>Green</b></p>	
<p><b>Councils build business confidence by reducing unnecessary red tape and regulatory burdens at the local level, as well as by fighting crime</b> - we will promote the positive contribution local regulation can make to economic growth and work with councils to improve their ability to tackle crime, metal theft and anti-social behaviour.</p>	<p>Helen Murray</p>	<p>Vision for local regulation – Completed &amp; launched at LGA annual conference. Local licensing fees - Counsel advice received at half expected cost; finalising guidance Elected member support - Online training module launched. Regional licensing events for elected members held.</p>	<p style="text-align: center;"><b>Green</b></p>	
<p>Fire and Rescue Authorities protect people and places from harm, providing the safe environment in which businesses can thrive - we will champion fire authorities in their national resilience and local roles and identify opportunities to achieve further efficiencies and synergies across the blue light services.</p>	<p>Helen Murray</p>	<ul style="list-style-type: none"> <li>• LGA submitted evidence to CLG Select Committee on Knight Review; Legal advice commissioned on LGA's role on national operational guidance</li> </ul>	<p style="text-align: center;"><b>Green</b></p>	
<p><b>Sector-led support, improvement and innovation: We will support councils with improving performance, effectiveness and efficiency</b></p>				
<p>A tailored <b>corporate peer challenge</b> for local authorities, including a core component looking at issues of leadership, corporate capacity and financial resilience</p>	<p>Dennis Skinner</p>	<p>Take up of the peer challenge offer is very strong. In the third quarter alone we have delivered 33 corporate peer challenges for councils and fire and rescue services (compared to 12 in the same period last year) a total of 66 so far this year. A further 29 are confirmed or in discussion for the remainder of the year, although this figure may well be reduced as a result of fire peer reviews being postponed due to the on-going industrial action. As a result of the exceptionally high delivery during the autumn, the</p>	<p style="text-align: center;"><b>Green</b></p>	

<p><b>Leadership and managerial development programmes</b>, providing opportunities for hundreds of politicians and managers, equipping them to deal with the challenges being faced by their councils</p>	<p>Dennis Skinner</p>	<p>A report on the future direction of the LGA's member and managerial leadership development offer has been agreed by the Leadership Board and work has started on developing the new suite of leadership programmes for 2014/15. A total of 330 councillors have now attended, or are booked to attend, our various main and focused Leadership Academy programmes. The new Next Generation programme has started and each party cohort has now completed their first two (of three) modules. Recruitment for the 2013 NGDP (Cohort 15) intake has now been completed and a total of 94 graduates have been placed in 40 councils across England and Wales. The recruitment process for Cohort 16 has also started. The closing date for this is mid-January and we expect to receive approximately 2500 applications.</p>	<p><b>Green</b></p>
<p>Support to help councils with <b>capturing and sharing innovative practice</b></p>	<p>Dennis Skinner</p>	<p>1. Ensured a significant focus on innovation at the LGA conference including an Innovation zone with NESTA and others. 2. Supported robust analysis of Creative Councils lessons for on-going dissemination to local government sector (including Camps, skills development, Knowledge Hub, formal research). 3. Completed Member interviews as part of the 'Local Councils' Innovation Framework' and promoted findings at LGA conference.</p>	<p><b>Green</b></p>
<p><b>LG Inform</b> - access to transparent and comparable performance information</p>	<p>Dennis Skinner</p>	<p>The new version of LG Inform, our data benchmarking service was 'soft' launched on 31 July to councils and fire and rescue authorities/services (FRSs) who are existing users; and it was successfully fully launched to chief executives and leaders on 18 September. LG Inform was made open to the public in November. Work to promote LG Inform is now on-going. Work is also now starting in earnest with councils to identify local data they would like to collect, so they can use LG Inform as a free benchmarking club.  Good progress has been made with LG Inform Plus (formerly known as esd-toolkit), our subscription package for local authorities offering a range of additional data tools and access to ward-level data. It is now a clearer offer to authorities, and more closely aligned to LG Inform.</p>	<p><b>Green</b></p>
<p><b>Sector-led improvement programmes</b> in children's services</p>	<p>Helen Johnston</p>	<p>Member induction completed for 2013-14 September and November Leadership academies have taken place and feedback from delegates has been positive. Joint events with Solace/VSC- planning meeting took place in early December with input from elected members and chief execs. NCAS 2013 completed had largely positive feedback from delegates.</p>	<p><b>Green</b></p>
<p><b>Direct Support</b> to councils through the lead member peers and principal advisers, working to help them access appropriate support, in particular where they are facing significant underperformance challenges - our support will take account of the increasing financial pressure being faced by councils</p>	<p>Dennis Skinner</p>	<p>A wide range of support has been provided to councils during the year including: • Change of control support to 23 councils - mainly county councils • Bespoke peer mentoring support to 47 councils • Delivery of top team development work to 6 councils • A range of follow-up support to 37 councils who received peer challenge • Direct improvement support to 27 councils e.g. Work on financial sustainability in Corby, Derby and Nottinghamshire. Financial diagnostics also delivered in Gloucester City and Poole.</p>	<p><b>Green</b></p>
<p><b>Culture, tourism and sport</b> - we will pursue sector-led improvement in culture, tourism and sport</p>	<p>Paul Raynes</p>	<p>Programme of events and peer reviews continues. On track to achieve our targets of: • engaging 40 library portfolio holders with improvement events • engaging 70 sport portfolio holders in improvement activity • engaging 55 portfolio holders responsible for culture in improvement events</p>	<p><b>Green</b></p>

<p><b>Adult social care and health</b> - we will pursue sector-led improvement programmes in adult social care and health</p>	<p>Sally Burlington / Andy Hughes</p>	<ul style="list-style-type: none"> <li>• DH/LG strategic forum met in July, chaired by Carolyn Downs; report submitted to HTTG proposing a limited number of outcome-based public health indicators upon which LAs have most influence.</li> <li>• ASC leadership support - regional networks met; induction event for lead members held July</li> <li>• Adult safeguarding - 3 peer challenges held; 54 councils signed up to 'making safeguarding personal' project</li> <li>• <u>Winterbourne View</u> - team appointed; stocktake completed, analysed and results made available; comms and engagement strategies agreed &amp; operational ; sharing event for concordat signatories held; review guidance issued</li> <li>• <u>TEASC</u> - 'Statement of purpose' agreed; work commenced on bespoke peer challenges; pilot work in LAs on use of resources self-assessment begun; quarterly reporting on adult social care data begun; DH grant still not received</li> <li>• <u>Health &amp; Wellbeing</u> - Caroline Tapster appointed as Director; national &amp; regional governance mechanisms established &amp; working; programme prospectus issued; comms strategy operational; Peer challenge revised; 5 pilots deliver and a further 12 planned; joint work with Healthwatch on commissioning g progressing well; programme options for 14/15 under consideration</li> </ul>	<p style="text-align: center;"><b>Green</b></p>
<p><b>Planning services</b> - we will pursue a sector-led improvement programme in planning services</p>	<p>Paul Raynes</p>	<p>We successfully made the case to DCLG for genuinely sector-led governance of PAS and have now put in place from this financial year a PAS board that is holding the service to account and agreeing its grant arrangement and targets with DCLG. The PAS programme continues to deliver relevant work at high quality. Over 90% of people using its services recognise that it helps them do their work more effectively. The sector sees PAS becoming more important in an environment requiring working together without so much guidance from the centre.</p>	<p style="text-align: center;"><b>Green</b></p>

<p>Practical support to councils continue to develop new and innovative ways to improve <b>efficiency and productivity</b> as a major element of public service reform.</p>	<p>Dennis Skinner</p>	<p>The highly successful Adult Social Care Efficiency (ASCE) Programme continues; a mid term report shows participating councils delivering an average 7% annual saving in adult social care services. Alumni event held July 2013 to launch the report. Further work is being done to develop the programme by looking at potential funding from external partners to allow more councils to join the programme going forward. In response to findings reported in the ASCE Interim Position Report in July the LGA will be running a project next year to looking specifically at developing new and innovative practice in learning disability services that help to make the savings required. The project will be open to all ASCE participants and will follow a similar approach to the current ASCE Programme. The deadline for the return of application is Monday 13th January.</p> <p>We have moved into the delivery phase of the National Procurement Strategy. Workstreams in the 3 key themes of ICT, Energy and Construction are in place with membership from key players across the sector. Workshops took place between May and September to allow the sector to identify big win areas where savings can be made.</p> <p>The Productivity Expert programme has now funded over 24 councils to provide funding to enable them to engage an expert to provide the necessary skills and expertise to help deliver efficiency savings. The key headline is that for an investment of £46,000 of LGA funding has resulted in efficiency savings of £25,615,000 being identified and delivered by participating councils.</p> <p>The Commissioning Academy is a joint programme between the Cabinet Office, the LGA and other central government departments that enables senior commissioners across the public sector to develop their commissioning skills alongside each other. Following on from two successful pilots (11 councils) three Academy cohorts (18 councils) started in June 2013. There was a highly positive response to the pilot cohorts and as a result huge demand from councils across the country for places on the Academy; there will be three further cohorts recruited in November this year.</p>	<p style="text-align: center;"><b>Green</b></p>
<p style="text-align: center;"><b>Our own efficiency and effectiveness</b></p>			
<p><b>Full membership - we will maintain membership levels amongst local authorities in England and Wales</b> - including fire and rescue, integrated transport and national park authorities - by enhancing the benefits and reducing the costs of membership. We will introduce a 'loyalty discount' for members and continue to communicate on the benefits of membership directly with individual councils and all councillors</p>	<p>Claire Holloway</p>	<p>15 councils currently on notice for April 2014. Loyalty discount introduced and in operation. Benefits of membership booklets sent to all councillors and CXs of all member councils. 100% of subscriptions collected. National Park Authorities now moved to corporate membership scheme through National Parks England. Governance proposals developed in response to notice by the Core Cities.</p>	<p style="text-align: center;"><b>Amber</b></p>

<p><b>Persuasive communications</b> - we will work to support, promote and improve local government using the full range of communications activity, ensuring councils have a strong national voice and are well represented to central government</p>	<p>David Holdstock</p>	<p>We have introduced measures which allow us to track the tone of media coverage (positive, neutral, negative), which media covered it, which subjects, which spokespeople and whether it was proactive or reactive.  <b>MEDIA EVALUATION SUMMARY</b>                  Oct - Dec 2013</p> <ul style="list-style-type: none"> <li>• National media mentions up 101 per cent year-on-year from 127 in the same period for 2012 to 256 in 2013.</li> <li>• 75 per cent of coverage was through pro-active media work.</li> <li>• 71 per cent of our national coverage was positive.</li> <li>• Our media work before and after the Autumn Statement and Local Government Finance Settlement received 50 media mentions.</li> <li>• More than one million website page views by more than 180,000 unique users.</li> <li>• 204 mentions of the LGA in Parliament from October to December.</li> </ul>	<p><b>Green</b></p>
<p><b>Financial sustainability</b> - we will work with our member authorities and government to ensure we secure core funding for the LGA from 2015/16 from subscriptions and LGA top-slice</p>	<p>Helen Platts</p>	<p>Issues regarding the LGA and IDeA pension deficits identified and strategy for dealing with these now being developed. Options appraisal of Layden House underway. Work on business case for RSG topslice from 2015/16 now in train.                  Report on LGA achievements with RSG topslice funding submitted to CLG.</p>	<p><b>Amber</b></p>
<p><b>Efficient business management</b> - we will continue to make changes to improve the efficiency of our back-office services, to achieve a further 10% reduction in our overheads</p>	<p>Helen Platts</p>	<p>LGE and LACORS company close-down achieved from April 2013. £1m savings will be achieved in 2013/14 as a result of the changes made.                  Ongoing programme of communications to reduce demand for Catering and Print and Design underway.                  Good progress with the one-off savings negotiated as part of the Liberata contract price reduction.</p>	<p><b>Green</b></p>
<p><b>Effective people management</b> - we will support our employees through effective performance management and development, and will place a high priority on engaging them in developing and improving our services to councils</p>	<p>Claire Holloway</p>	<p>90% of appraisals completed and returned - compared with 38% in 2012.                  Restructure complete with minimum compulsory redundancies.                  First tranche of management training now complete and sustaining event held; second tranche has now commenced.                  Knowledge Bites and Knowledge Bites Plus programme in place, overseen by C&amp;C team .</p>	<p><b>Green</b></p>
<p><b>Accessible information</b> - we will focus on achieving improvements for our customers and supporting them with sharing information and knowledge, as well as reductions in our own costs through a coherent, affordable programme of ICT development which aligns with our overall priorities</p>	<p>Helen Platts</p>	<p>Progress with in-year ICT developments: Sharepoint; Committee Management System; Conferences and Events booking system. All on track to be delivered during 2013-14 although original target dates for implementation will not be met. Knowledge Hub was successfully transferred to Liberata in November 2013.</p>	<p><b>Amber</b></p>



A red traffic light indicates that we will not deliver the agreed work programme

An amber traffic light indicates that there is a risk that the agreed work programme will not be delivered.

A green traffic light indicates that the agreed work programme is either on track to be delivered by year end or has already been completed

Where no traffic light is shown, work has not yet commenced in relation to this business plan target





**LG COMPANY REPORT - TOP LEVEL CONSOLIDATION - NOVEMBER 2013**

RAG Status Key	
G	Within 2% of budget
A	Between 3% - 9% of budget.
R	10% under /over budget

Description	Year to date				Full year			RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance	Commentary	
	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s		
<b>INCOME:</b>								
Subscription Income (Net of discounts)	(9,698)	(9,698)	-	(9,698)	(9,698)	-		G
RSG Income	(16,888)	(16,506)	382	(25,500)	(25,500)	-		G
Welsh RSG Income	(215)	(215)	-	(323)	(323)	-		G
Income from Direct Services	(2,236)	(3,794)	(1,558)	(3,435)	(3,755)	(320)	The projected variance is due to additional funds received for Local Government Challenge - £45k, Political Group Offices - £16k, European and International - £55k, Conference & Events - £72k, Peer Challenge Chargeable - £90k and Research & Information - £60k, LG Inform - £99k, Productivity - £150k. This is offset by a lower than projected income for Digital Communications - £65k, NGDP - £40k, Workforce Consultancy - £80k and Leadership and Localism - £80k.	
Shared Services - 3rd Party Income	(32)	(68)	(36)	(48)	(48)	-		G
Rental Income	(923)	(834)	89	(1,241)	(1,307)	(66)	Rental income will be £66k higher than budgeted for due to additional tenants and rent increases.	A
Other Income	(254)	(923)	(669)	(381)	(281)	100	The projected variance is due to lower than anticipated interest.	R
Geoplace dividend	(600)	(375)	225	(1,200)	(1,350)	(150)	The projected variance is due to Geoplace paying a higher dividend than anticipated.	R
<b>Total Core Income</b>	<b>(30,847)</b>	<b>(32,415)</b>	<b>(1,567)</b>	<b>(41,826)</b>	<b>(42,262)</b>	<b>(436)</b>		

As at Period 8 November 13									
Description	Year to date		Variance YTD	Budget Year	Full year		Budget to Outturn Variance	Commentary	RAG Status
	Budget YTD	Actuals YTD			Forecast Outturn	2013/14			
	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s			
<b>EXPENDITURE:</b>									
Core Employee Costs	11,165	10,878	(287)	16,592	15,417	(1,175)	The full year variance is due to savings achieved as a result of the revised staffing structure.	R	
Extra Employee Costs	-	249	249	-	494	494	Severance pay agreed to date.	R	
RSG payments to 3rd parties	1,532	1,029	(503)	2,203	2,203	-		G	
Programme Costs	5,384	4,756	(629)	9,055	8,931	(124)	The projected overspend is due to: Member Services - £96k, Independent Group - £4k, Finance & Policy programmes - £5k, Peer Chargeable - £72k, Peer Support £200k, Improvement Support - £7k, Communications - £5k and Local Government Challenge - £45k. This is offset by projected under spends for: LG Inform Plus - £70k, NGDP - £20k, On Site Support - £20k, Negotiations - £150k, Leadership & Localism - £79k, Conferences & Events - £110k and Digital Communications £109k.		
Liberata Contract	3,539	3,687	148	5,296	5,541	245	The YTD variance is due to a delay in receiving invoices for additional Liberata charges. The projected overspend is due to savings not being met for Conference & Events Booking system and Out of Hours Security at Layden House.	A	
Other running costs	911	1,504	593	2,306	1,699	(607)	The projected under spend is due to agreed in-year savings of £720k mainly from programme budgets; Business Support - £85k and reduced training spend in HR £50k. This is offset by projected overspends for: Corporate Services - £100k and ICT projects - £148k.	R	
Property Costs	1,467	1,594	127	2,590	2,613	23	The projected over spend is due to higher rates than budgeted for.	G	
Pensions - Past employees	785	1,126	341	930	930	-	The YTD variance is due to timing on invoices.	G	
Pension Deficits Reduction Payments	2,465	1,568	(897)	3,874	3,874	-	The YTD variance is due to timing on invoices.	G	
<b>Total Core Expenditure</b>	<b>27,249</b>	<b>26,392</b>	<b>(857)</b>	<b>42,846</b>	<b>41,702</b>	<b>(1,144)</b>			
<b>NET CORE POSITION (Surplus) Deficit</b>	<b>(3,598)</b>	<b>(6,022)</b>	<b>(2,424)</b>	<b>1,020</b>	<b>(560)</b>	<b>(1,580)</b>			

As at Period 8 November 13									
Description	Year to date		Full year			Budget to Outturn Variance 2013/14 £000s	Commentary	RAG Status	
	Budget YTD 2013/14 £000s	Actuals YTD 2013/14 £000s	Variance YTD 2013/14 £000s	Budget Year 2013/14 £000s	Forecast Outturn 2013/14 £000s				
Ring-fenced income	(8,735)	(7,791)	944	(13,744)	(13,088)	656	Projected income is lower than budget mainly due to: Childrens Workforce £732k and One Public Estate £551k. This is offset by additional funding for Pensions £100k, Culture, Tourism & Sport £40k, Cultural Services Grant £250k, POP Group £44k and Income for Icelandic Banks £200k.	R	
Ring-fenced expenditure	8,449	7,844	(605)	13,773	13,110	(662)	Projected expenditure is lower than budget mainly due to: Childrens Workforce £732k and One Public Estate £581k. The Planning Advisory Service are expected to contribute a further £22k a to overheads. This is offset by overspends for Pensions £100k, Culture, Tourism & Sport £40k, Cultural Services Grant £250k, POP Group £44k and Icelandic Banks £250k.	R	
Ring-fenced overhead recovery	(313)	(478)	(165)	(710)	(750)	(40)	An additional £40k contribution to overheads has been received from Children's Improvement programme		
<b>Net Ring Fenced Position</b>	<b>(598)</b>	<b>(424)</b>	<b>174</b>	<b>(682)</b>	<b>(728)</b>	<b>(46)</b>			
<b>NET LGA POSITION Pre Reserves (Surplus) Deficit</b>	<b>(4,196)</b>	<b>(6,446)</b>	<b>(2,250)</b>	<b>338</b>	<b>(1,288)</b>	<b>(1,626)</b>			
Planned Support from Reserves	-	-	-	(338)	(190)	148	Projected reserves is lower than budgeted for with Leadership Centre - £190k and Pensions not needing to use reserve funding.	R	
<b>NET LGA POSITION (Surplus) Deficit</b>	<b>(4,196)</b>	<b>(6,446)</b>	<b>(2,250)</b>	<b>-</b>	<b>(1,478)</b>	<b>(1,478)</b>			

## LGA Corporate Health Indicators

### Appendix C

#### Corporate Indicator

Membership	March 2012	March 2013	June 2013	Sept 2013	Dec 2013	Target 2013/14
Total membership	422	422	412	412	412	Maintain or increase
Number of councils out of membership	4	2	2	2	2	Reduce
Number of councils on notice to withdraw	34	21	21	21	17	Reduce
% subscriptions collected	100%	100%	97%	100%	100%	100%
Our reputation	March 2012	March 2012	June 2013	Sept 2013	Dec 2013	Target 2013/14
Member authority satisfaction		63%			TBC	64%
Member authority informed		69%			TBC	70%
Member authority advocacy rating	Not surveyed	63%	Survey Nov 2013	Survey Nov 2013	TBC	64%
Value for money rating		46%			TBC	48%
Financial sustainability	March 2012	March 2013	June 2013	Sept 2013	Dec 2013	Target 2013/14
Number of employees in agreed core posts	253	269	268	247	TBC	Reduce following reduction in RSG
Number of employees in posts with external funding	38	25	46	36	TBC	Maintain or increase topslice
Employees – total headcount FTE	291 (281.4)	294 (281.3)	314 (287.6)	283 (263.3)	TBC	
Debtors	March 2012	March 2013	June 2013	Sept 2013	Dec 2013	Target March 2014
0-2 months	79%	94%	60%	97%	84%	80%
3-12 months	9%	5%	40%	2%	5%	20%
13-24 months	3%	1%	0%	0%	1%	0%
Over 24 months	9%	0%	0%	0%	0%	0%
<b>Total</b>	100% (£1,860k)	100% (£2,092k)	100% (£2,178k)	100% (£4,120k)	100% (£1,911k)	100%

Liberata contract - customer satisfaction						
% positive	November 2011	March 2013	June 2013	Sept 2013	Dec 2013	Target 2013/14
HR and Payroll	78%	81%				90%
Finance and accounting	70%	76%				80%
ICT	45%	65%	Survey Nov 2013	Survey Nov 2013	Survey Jan 2014	80%
FM	85%	82%				90%
Print and design	89%	82%				90%
Overall	54%	61%				80%
People management						
Average annual sick days per employee (Public sector average 9.6 days; local government average 10.3 days)	March 2012 4.5	March 2013 3.2	June 2013 3.6	Sept 2013 4.5	Dec 2013 TBC	Target 2013/14 Maintain or improve
Workforce profile						
BAME employees % of the workforce	March 2012 15.7%	March 2013 17.0%	June 2013 15.3%	Sept 2013 15.2%	Dec 2013 TBC	Target 2013/14 Increase % of BAME employees grade 8+ in line with overall representation in the workforce
BAME - proportion of employees Grade 8 and above	March 2012 10.3%	March 2013 15.6%	June 2013 10%	Sept 2013 12.8%		
Employee opinion survey - % of employees positive						
Your Job	March 2012	March 2013 65%	June 2013 73%	Sept 2013	Dec 2013	Target 2013/14 Improve by an average of 5%
Customer Satisfaction		53%	64%			
Communication		59%	67%			
Training and Development	New survey from 2013	41%	76%	Survey June 2014	Survey June 2014	
Line Management		65%	76%			
Management Visibility		38%	57%			
Work / Life Balance		62%	67%			
Equality / Diversity		69%	78%			
Perceptions of the LGA		51%	53%			

Environmental impact – reduce carbon emissions by 6% from 2007/2008 baseline of 1,450 CO2 tonnes	March 2012	March 2013	June 2013	Sept 2013	Dec 2013	Target March 2014
	1,155	1,400	Report March 2014	Report March 2014	Report March 2014	1,363
	-20.4%	-3.5%				-6%

LGA Strategic Risk Register – Summary  
Updated 7 January 2014

Ref	Type	Description of risk	2012/13				2013/14			Move- ment	Review Date
			Q1 score	Q2 score	Q3 score	Q4 score	Q1 score	Q2 score	Q3 score		
<b>EXTERNAL</b>											
S1	Impact/delivery	The LGA is not effective in achieving its vision for local government	12	12	12	12	4	4	4	↔	Mar 2014
S2	Membership	LGA membership reduces to the point where the LGA loses legitimacy as the voice for the sector	12	5	5	12	12	12	12	↔	Mar 2014
<b>INTERNAL</b>											
S3	Financial Sustainability	The LGA is not financially viable	9	12	15	25	25	25	15	↓	Mar 2014
S4	Shared Services contract	The Liberata services are not delivered to an acceptable standard or cost	20	20	20	12	12	12	12	↔	Jun 2014
S5	People Management	We do not maintain employee capacity and capability as our core funding reduces	9	9	9	9	9	3	3	↔	Sept 2014

Symbols ↔ ↑ ↓

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S1	<p><b>Impact/delivery</b></p> <p>The LGA is not effective in achieving its vision for local government:</p> <ul style="list-style-type: none"> <li>- Funding for local government</li> <li>- Economic growth, jobs and prosperity</li> <li>- Public service reform</li> <li>- Support for sector-led improvement</li> </ul>	<p><b>Cause</b></p> <ul style="list-style-type: none"> <li>- Lack of focus and prioritisation</li> <li>- Not active on the big issues</li> <li>- Failure to deliver lobbying objectives</li> <li>- Support to councils is not valued</li> </ul> <p><b>Effect</b></p> <ul style="list-style-type: none"> <li>- Loss of membership – see below</li> <li>- Lack of credibility with government - RSG and other funding not renewed</li> </ul>	<p>4</p> <p>5</p>	<ul style="list-style-type: none"> <li>- Clear priorities agreed with members through the business planning process</li> <li>- Comprehensive governance arrangements in place to ensure clear cross-party support for the LGA's lobbying objectives</li> <li>- Public Affairs function to monitor political change</li> <li>- Boards to drive the delivery of the LGA's top priorities</li> <li>- Rewiring Local Government work used as basis for LGA priorities and campaigns launched July 2013</li> </ul> <p><b>Sources of assurance – quarterly performance reporting; regular reports to Executive, Leadership Board and LGA Boards</b></p> <p><b>KPI – Customer survey data</b></p>	<p>4</p> <p>1</p>	<p>- Programme of campaigns and policy and lobbying work in the second half of 2013-14, building on Rewiring Local Government</p>	<p>Head of Finance and Policy – <b>Mar 2013</b></p>



Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S2	<p><b>Membership</b></p> <p>LGA membership reduces to the point where the LGA loses legitimacy as the voice for the sector</p>	<p><b>Causes</b></p> <ul style="list-style-type: none"> <li>- General financial pressures on councils</li> <li>- LGA not see to provide value for money</li> </ul> <p><b>Effect</b></p> <ul style="list-style-type: none"> <li>- LGA loses legitimacy as the voice for the sector</li> <li>- Local government becomes more fragmented in its engagement with government</li> </ul>	<p>5</p>	<ul style="list-style-type: none"> <li>- Member benefits communicated to all councillors</li> <li>- Active engagement with councils on notice to withdraw membership</li> <li>- LGA achievements communicated regularly through the Chairman's bulletin, First etc</li> <li>- Regular meetings with regional bodies</li> <li>- Transparency of key data with publication of contracts, supplier payments, expenses</li> <li>- Customer Survey results used to drive changes that will be valued by member councils</li> <li>- Senior members, SMT and Principal Advisers maintain relationships with councils</li> </ul> <p><b>Source of assurance – ongoing monitoring and publishing of membership changes</b></p> <p><b>KPI – Total membership and members on notice to withdraw</b></p>	<p>4</p>	<ul style="list-style-type: none"> <li>- Work to address the concerns of the core cities</li> <li>- Improve the LGA's collection of customer contact information –as part of ICT strategy</li> <li>- Establish services delivered as part of core offer, as basis for decision on Subscriptions from 2014-15 and budgeting and business planning process for 2014-15</li> </ul>	<p>Head of Corporate Governance/ Political Group Offices – <b>Jan 2014</b></p> <p>Executive Director – <b>Mar 2014</b></p> <p>Head of Finance and Business Management – <b>Mar 2014</b></p>

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date	
S3	<p><b>Financial sustainability</b></p> <p>The LGA is not financially viable.</p>	<p><b>Causes</b></p> <ul style="list-style-type: none"> <li>- Membership withdrawal</li> <li>- RSG funding reduction</li> <li>- Loss of government grants and contracts</li> <li>- Pension liabilities not fully funded</li> <li>- Overheads do not reduce in line with reductions in income – see below</li> <li>- Pension liabilities crystallise as employee numbers reduce in the individual companies</li> </ul> <p><b>Effects</b></p> <ul style="list-style-type: none"> <li>- Significant reduction in size – not able to provide core services</li> <li>- Significantly increased pension costs in future years</li> <li>- Going concern issues</li> </ul>	<p>5</p>	<ul style="list-style-type: none"> <li>- Effective budget planning and management</li> <li>- Financial strategy regularly reviewed by Resources Panel and Leadership Board</li> <li>- Strategy for reducing the Pensions deficit agreed by Resources Panel</li> </ul> <p><b>Source of assurance – monthly management accounts</b></p> <p><b>KPI – Total headcount</b></p> <p><b>KPI – Debtors</b></p>	<p>5</p>	<p>3</p>	<ul style="list-style-type: none"> <li>- Work to secure RSG topslice from 2015/16 – ongoing discussions with CLG</li> <li>- Review of property strategy, in particular future of Layden House</li> <li>- Confirm strategy for pension deficit reduction</li> <li>- External review of options for commercial opportunities for the LGA</li> </ul>	<p>Hd of Leadership and Productivity/ – <b>Jan 2014</b></p> <p>Chief Exec/ Head of Finance – <b>Mar 2014</b></p> <p>Chief Exec/Head of Finance – <b>Mar 2014</b></p> <p>Chief Exec/Head of Finance – <b>Mar 2014</b></p>

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date	
S4	<p><b>Shared services contract</b></p> <p>The LGA's outsourced shared services are not delivered to an acceptable standard; overhead costs do not reduce in line with the overall size of the organisation</p>	<p><b>Causes</b></p> <ul style="list-style-type: none"> <li>- Unforeseen event triggers contract failure.</li> <li>- Contract not fit-for-purpose.</li> <li>- Ineffective client side</li> <li>- Lack of service availability</li> <li>- Quality and performance of service delivery fails to meet client's standards</li> <li>- Contract re-negotiation does not achieve required reduction in overheads</li> </ul> <p><b>Effects</b></p> <ul style="list-style-type: none"> <li>- Business support requirements not met – we are not able to deliver our services effectively</li> <li>- Inability to make cost reductions.</li> <li>- Negative impact on reputation, particularly with membership</li> <li>- Inability to make changes</li> <li>- Customer dissatisfaction</li> </ul>	<p style="text-align: center;">4</p>	<ul style="list-style-type: none"> <li>- Governance arrangements in place – Programme Board, Contract Management Board, Contract manager</li> <li>- Liberata performance against KPIs monitored</li> <li>- Client-side team review day-to-day performance on the contract</li> <li>- Annual customer surveys</li> <li>- Exit management plan in place should the contract terminate</li> <li>- Contract renegotiated from April 2013</li> <li>- ICT client-side strengthened and ICT strategy developed</li> </ul> <p><b>Source of assurance – monthly reporting and review of Liberata KPIs at Contract Management Board</b></p> <p><b>KPI – Liberata customer satisfaction survey</b></p>	<p style="text-align: center;">4</p>	<p style="text-align: center;">3</p>	<ul style="list-style-type: none"> <li>- One-off contract changes to be implemented during 2013/14</li> <li>- Demand reduction measures to be implemented in 2013/14</li> <li>- Further review of contract requirements during 2013/14 with a view to achieving further cost reductions from 2014/15</li> </ul>	<p>Head of Finance – <b>March 2014</b></p> <p>Head of Finance – <b>review Jan 2014</b></p> <p>Head of Finance – <b>Mar 2014</b></p>

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S5	<b>People Management</b>  We do not maintain employee capacity and capability as our core funding reduces	<p><b>Causes</b></p> <ul style="list-style-type: none"> <li>- Low employee morale</li> <li>- Lack of clarity and focus</li> <li>- Reductions in employee numbers to achieve a balanced budget</li> </ul> <p><b>Effects</b></p> <ul style="list-style-type: none"> <li>- We do not retain key employees</li> </ul>	<p style="text-align: center;">4</p>	<ul style="list-style-type: none"> <li>- Clear focus and prioritisation through the business planning process</li> <li>- Line management support</li> <li>- Strong focus on internal communications through the Portal, monthly employee briefings; annual employee conference; Knowledge bites</li> <li>- Appraisal scheme</li> <li>- Actions taken in the light of Employee Surveys and other feedback</li> </ul> <p><b>Source of assurance – annual employee survey</b></p> <p><b>KPI – Employee engagement</b>  <b>KPI – BME employees % of total workforce</b>  <b>KPI – average sick days</b></p>	<p style="text-align: center;">3</p>	<ul style="list-style-type: none"> <li>- Employee development programmes continue</li> </ul>	Head of HR - <b>ongoing</b>

**Risk Matrix** - the following chart shows where, and what colour the risk will fall in to dependent on the scores. Red being the most severe and green being the least. The scores within the chart are multiples of the likelihood and impact,

For example (Likelihood of) **3 x** (Impact of) **4 =** (Risk score of) **12**

		Projected likelihood			
		Low (1)	Medium (3)	High (5)	
Potential impact	Very high (5)	manage and monitor - 5	urgent focus and action - 15	immediate focus and action - 25	
	High (4)	management effort worthwhile - 4	manage and monitor - 12	significant focus and action - 20	
	Medium (3)	accept but monitor - 3	management effort worthwhile - 9	manage and monitor - 15	
	Low (1)	accept but monitor - 1	accept but periodically review - 3	accept but monitor - 5	

What the colours mean (as a guide):

- Red - Urgent actions required to reduce ratings **15 – 25 points**
- Amber - Actions required to manage and monitor ratings **12 points**
- Yellow - Actions required to monitor ratings **4 – 9 points**
- Green - Actions required to maintain ratings **1 – 3 points**



## **Draft Business Plan and budget 2014-15**

### **Purpose of report**

For review and direction, prior to the final business plan and budget being agreed by members including the IDeA Board before the start of the new financial year.

### **Summary**

Leadership Board gave a steer on the high level priorities and budget framework for 2014/15 at its October meeting.

A draft business plan has now been developed, reflecting the LGA's overall strategy as set out in the "Rewiring" documents, and informed by the emerging priorities of the LGA Boards including the Improvement Board. This is included at **Appendix A**.

The LGA's budget for 2014/15 has also been developed along with the LGA's medium term financial strategy. This is presented at **Appendix B**. The detailed budget book for 2014/15 will be presented to the IDeA Board in March for final agreement.

### **Recommendation**

The IDeA Board is asked to review and give a steer on the LGA's draft business plan and outline budget for 2014/15 prior to this being finally agreed in March.

### **Action**

Officers to progress the 2014/15 Business Plan and budget in line with members' decisions.

**Contact officer:** Helen Platts  
**Position:** Head of Finance and Business Management  
**Phone no:** 0207 664 3358  
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## **Draft Business Plan and budget 2014-15**

### **Introduction**

1. This paper asks members to review the LGA's proposed business plan for 2014/15.
2. It also presents the latest overview of the budget for 2014/15, along with an assessment of our financial position for the next spending review period. The outline budget takes account of recent developments – for example the latest position on the triennial pension valuation – as well as feedback from operational managers on their budget requirements to deliver the priorities in the business plan.
3. Members are asked to provide an initial steer on budget proposals for 2014/15 prior to the final business plan and budget being agreed by members in March.

### **Business Plan**

4. The LGA's current strategy and business plan is captured in the following documents:
  - 4.1 The original RSG prospectus, setting out the outcomes to be delivered for the RSG topslice grant for the four years to 2014/15
  - 4.2 The 2013-14 business plan which identifies three high level priorities for the LGA:
    - 4.2.1 **Funding for local government** – reform of the finance system so councils have confidence their financing is sustainable and fair, the opportunities to raise more funds locally and greater ability to promote collective working across local public services
    - 4.2.2 **Economic growth, jobs and prosperity** – councils are recognised as central to economic growth
    - 4.2.3 **Public service reform** – independent councils are at the centre, and seen to be at the centre, of public service reform, delivering more effective services for local people and holding other providers to account.
- 5 The 2013-14 business plan also sets out our priorities for **sector-led improvement** – our core services.
- 6 The more detailed programme plans and budgets underpinning the current business plan.
  - 6.1 The LGA's overall financial strategy as presented to Leadership Board in May 2013.



6.2 The Rewiring Public Services proposals launched at the LGA conference in July 2013.

7. At the October meeting of Leadership Board, members agreed that the high level priorities identified for 2013/14 are still broadly relevant for 2014/15 and that there is value in having a settled set of priorities for the organisation, particularly at this stage in the political cycle.
8. It was also agreed that the priorities developed over the last year and set out in the Rewiring Public Services work, now need to be played into the business planning process for 2014/15.
9. A draft business plan for next year has been developed on this basis, taking account also of the priorities identified by the LGA's boards – see **Appendix A**. The IDeA Board is asked to review this and provide a steer prior to the final business plan being presented for sign-off in March.

**Allocation of resources**

10. An outline budget for 2014/15 was presented to Leadership Board in October when members agreed that the budget allocation should be broadly in line with the current allocation given that income is expected to be the same as this year's and that our current operational arrangements will continue without significant change.
11. The outline budget that has been developed for 2014/15 is presented at **Appendix B**. Subject to members' agreement, this will form the basis of the more detailed budget which will be presented to members for sign off in March. This will include a detailed budget for the IDeA specifically and also the service level agreement between the IDeA and the LGA for 2014/15, which will set out the services to be provided by the LGA in return for RSG topslice.
12. Although the overall level of income and expenditure is the same as this year, there are a number of significant movements within this which can be summarised as:

**Gains:**

Full-year effect of staffing reductions	£1.3m
Additional RSG	£0.5m
Additional Geoplace dividend	£0.4m
Reduction in RSG payments (NIACE, LPs)	£0.3m
Full-year effect of savings on KHUB	£0.2m
Liberata savings	£0.7m
Severance pay incurred 2013/14	£0.5m

**These are offset by the following:**

Increase in pension contributions	£0.3m
Increased maintenance Local Government House	£0.5m
Reduction in income (mainly due to Children and Adults conference held every other year).	£0.9m

13. The budget includes a provision of £1.5m for a number of special projects which are currently being worked up for the final budget. These include an increase in our direct support offer to councils, along with funding for possible investment in some of the projects that are being considered as part of the commercial review that is currently underway.
14. The proposed budget maintains the current annual operating surplus of c. £1.5 million. This level of surplus is recommended to provide the flexibility for investment to secure the financial sustainability of the LGA but where final decisions have yet to be taken, for example the possible refurbishment of Layden House.
15. Beyond the changes to the baseline identified above, the following budget risks have been identified for 2014/15:
  - 15.1 Possible reduction in RSG – a last minute cut of £2m was imposed this year
  - 15.2 LGA membership – councils currently on notice withdraw. The risk is assessed as being up to £250k reduction in income
  - 15.3 Pension auto-enrolment – up 50 employees costing up to £300k.

**LGA Four Year Financial Projection**

16. **Appendix B** includes a four year financial projection using the LGA's revised cost base – taking us to the end of the next spending review period.
17. This will be developed further over the coming months to take account of work on:
  - 17.1 Our RSG bid for 2015/16 onwards
  - 17.2 The LGA's property strategy, in particular the future of Layden House
  - 17.3 Exploiting the commercial potential of the LGA's services.
18. We will continue to update members on the LGA's financial strategy as we make progress with these issues.



**APPENDIX A**

**Business Plan 2014-15  
DRAFT  
Leadership Board 22 January**

## Foreword

Last year the LGA successfully used its annual conference to set out, through its “Rewiring Public Services” campaign, a range of propositions that would change the relationship for the better between central and local government, and address the financial issues that are providing serious challenges to councils. Since then the LGA has been ensuring that these propositions are heard, understood and – we hope - adopted by those writing party manifestos as we move towards the 2015 General Election.

Our proposals are also being taken forward in the LGA’s priorities and work programmes for the year ahead. Our aim in 2014/15 is to build on our “Rewiring” work focusing on the key challenges for the sector, and what needs to be done to address them.

Although we’ve started to see some encouraging signs that the economy is recovering, the country urgently still needs to address what is probably the most important political questions for a generation – what should public services in post-austerity Britain look like? What can or should we afford to provide? And what should people now be organising and providing for themselves?

Councils are shouldering the biggest spending cuts of any part of the public sector and the Office of Budget Responsibility predicts that the next spending review period will see more of the same. So far, most areas have been able to protect the most valued local services. Innovation, increased use of technology, shared services, reductions in staff and relentless efforts to become ever-more efficient has meant that the visible impact has been relatively small for many people. But with half of local government’s savings still having to be found before April 2016 and more cuts promised thereafter, it will no longer be possible to keep slicing away at budgets without services suffering or, in some cases, disappearing completely.

As the economy steadily improves, people will expect the services which underpin our daily lives like care for the elderly, the upkeep of our roads or the collection of our waste, to improve with it. Instead, we’re currently on course for the upturn in the nation’s finances to coincide with services teetering on the edge of failure and some councils and hospitals on the brink of financial collapse. The public’s expectations need, therefore, to be grounded in a new reality.

However much we innovate, public services in post-austerity Britain will never return to how they were before 2010. We must not pretend that nothing changes when you severely cut budgets and hold down council tax. It would be damaging to suggest otherwise.

We are long overdue a fundamental reform of how public money is allocated and spent. Towns, cities and rural areas across England need to have the same freedoms enjoyed by the devolved nations. It is only by breaking down the barriers which stand between decisions taken in Whitehall and services provided in local communities that we can really start the process of redrawing public services.

Now is the time for all of us to show real leadership. We need to be open and we need to be radical if we are to ensure that post-austerity Britain is not stifled by the designs and expectations of a pre-austerity age.



**Sir Merrick Cockell**  
LGA Chairman



**Carolyn Downs**  
LGA Chief Executive

## The LGA's priorities

### Our mission

**The LGA is the national voice of local government. We work with councils to support, promote and improve local government.**

We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

The LGA will fight local government's corner, supporting councils through challenging times and focusing our efforts where we can have real impact.

### Our vision for local government

We want to enhance the quality of life for everyone in England by rejuvenating democracy and giving back to people real reasons to participate in civic life and their communities. We want participation in local elections to be a must-do and people to have a meaningful vote on a wide range of local tax and spending decisions. This means significant devolution of powers from Westminster to the local level.

We want to see economic growth being boosted in a way that offers prosperity to every place, with well-targeted and planned investment in infrastructure, training and housing and help that really leads to jobs and an adequate supply of affordable homes.

We want public services to be transformed so they prevent problems instead of just picking up the pieces and focusing on failure. We want services to be built around people and their needs, making their areas better to live in, and joining up to make a positive impact at the same time as saving money.

### To help achieve this vision, our top priorities for local government for the year ahead are:

- **Funding for local government** – reform of the finance system so councils have confidence their financing is sustainable and fair, opportunities to raise more funds locally, and greater ability to promote collective working across local public services.
- **Economic growth, jobs and housing** – councils are recognised as central to revitalising local economies.
- **Public service reform** – independent councils are at the centre, and seen to be at the centre, of public service reform, delivering more effective services for local people and holding other providers to account.

We will continue to make a powerful case for greater independence for local government. This means ensuring that the existing political momentum for localism results in real and concrete further devolution, with greater financial and decision-making autonomy for democratically-elected councils.

At the heart of all this work, are our core services to councils which are driven by our belief in **sector-led improvement**. Supporting local government as the most efficient and accountable part

of the public sector, the LGA will play a leading role in improvement and innovation so that councils can continue to make a difference in their local areas and to the lives of their residents.

Local government is all about ensuring fairness for communities and enabling all the people who live there to thrive. Helping councils achieve this is therefore part of everything we do - inclusion and equalities issues inform all of our work.

## Our priorities

### Funding for local government

**Reform of the finance system so councils have confidence their financing is sustainable and fair, opportunities to raise more funds locally and greater ability to promote collective working across local public services.**

- ***There is a transparent system of local government finance at national and local level*** – we will lobby for fair funding for England and English local government, multi-year funding settlements to enable councils to invest in economic growth as well as services that focus on early intervention and prevention, and a localised distribution system that appropriately balances needs and incentives.
- ***Future spending reviews deliver fair, timely and flexible local government finance settlements*** – we will lobby for fair financial settlements for local government and ensure that the financial consequences for local government of central government reforms are understood and adequately funded, in particular in the areas of welfare reform, adult social care and children including 0-5 public health, social care and education.
- ***People have a meaningful local vote on a wide range of tax and spending decisions*** – we will encourage a debate on local financial autonomy and the future of local government finance with a view to achieving local control over council tax and business rates along with the right to determine new local taxes and also set fees and charges which fully recover costs.
- ***Local services and decisions are brought together in one place, for each place, for issues ranging from economic development, to health, to law and order*** – we will promote the benefits of integrated budgets and support councils and their partners in developing new governance and delivery arrangements to achieve this.
- ***Councils are effective in dealing with the impact of reduced funding, taking steps to ensure that they continue to be financially sustainable*** – we will provide practical support and advice to councils on surviving financially, managing risk and taking big, difficult decisions on spending.
- ***Councils have access to alternative sources of finance to encourage investment and create jobs*** – we will lobby to free local government borrowing from Treasury restrictions and work to set up a Municipal Bonds Agency.
- ***There are robust and proportionate audit arrangements for councils*** – we will support councils in procuring cost-effective external audit services in the interests of transparency and accountability to local taxpayers.

## Economic growth, jobs and housing

Councils are recognised as central to revitalising local economies.

- **Councils have a key role to play in driving economic growth, new jobs and wealth creation** – we will lobby for the devolution of powers, policy and funding streams to secure UK growth and promote the menu of freedoms granted to the early City deals so that these are offered to all LEP areas.
- **Infrastructure is developed quickly and efficiently and targeted to maximise growth** – linked to our proposals for alternative sources of local government finance, we will support councils in working with their partners to maximise the value of local and national infrastructure investment, in particular through our support to Local Partnerships – a joint venture with H M Treasury
- **Councils play a lead role in improving educational standards, working with businesses locally to match education, training and skills with employer need** – we will continue our Hidden Talents campaign to ensure all young people are supported to participate in quality skills, training and employment, and develop proposals for locally led employment and skills programmes which secure sustainable outcomes for the long-term unemployed.
- **Councils unblock the barriers to house-building and drive the increase in housing supply the nation needs** – we will continue to make the case for councils to promote affordable and social housing by using their own borrowing powers and encouraging third parties through the planning system, and work to ensure councils have the tools to manage the housing impacts of welfare reform.
- **Councils maintain their planning powers and freedoms and there is certainty and stability in the planning system** - we will continue to make the case for local decision making on planning, and provide support to councils in developing local plans.
- **EU funding is devolved to local partnerships as part of a wider package for local growth** – we will lobby at European and national level to ensure the optimum delivery of EU funds for LEP areas.
- **Councils are at the heart of the commissioning and delivery of household energy efficiency schemes** – we will champion councils' role in leading action on energy efficiency and green energy and ensure they have the flexibility and resources to support local initiatives to reduce energy costs, tackle fuel poverty and build resilience to climate risks.
- **Councils have the necessary levers to maximise the impact of their culture services as drivers of growth** – we will support councils in linking culture, planning and the visitor economy to build the heritage of the future and to get value for money from their investment in broadband.
- **Councils work with businesses to determine right level of risk and regulation for a local area balancing community protection with economic growth** – we will work with councils to develop localised, simplified regulation that reduces red tape for businesses and support them in their work to develop vibrant and prosperous high streets.
- **Councils and fire and rescue authorities protect people and places from harm, providing the safe environment in which businesses and communities can thrive** - we will support



fire authorities in their prevention and protection work as well as their role responding to emergencies in a challenging industrial relations climate.

## Public service reform

Independent councils are at the centre, and seen to be at the centre, of public service reform, delivering more effective services for local people and holding other providers to account.

- ***There is a fundamental and ambitious rethink to the way local services are designed and organised to achieve economic and social benefits*** – linked to our proposals for integrating the governance and finance arrangements for each place, we will work up proposals for reform of the delivery of public services across sector boundaries and identify and lobby for the changes that Whitehall now needs to make.
- ***Councils' role in the health and care system is strengthened to enable local leadership of sustainable and resilient health and care services*** - we will work with Government, NHS and other partners to help every area make best use of the Better Care Fund to promote integrated and effective services which are jointly led. We will influence the Care Bill and its implementation to ensure reforms are fully funded and well planned and continue to work with partners to support councils' new public health functions as part of the wider local health and care system. We will continue to support the role of Health and Wellbeing Boards as the key strategic leaders of the health and care system and work jointly with partners to strengthen service user and public engagement in health and care services.
- ***Councils have the flexibility and resources they need to deliver services that meet the needs of individual children and families*** – we will work to ensure that policy reforms enable councils to meet their statutory duties in a climate of increased demand. We will raise awareness to ensure councils are effective in tackling child sexual exploitation and support councils to build their capacity and achieve a confident and skilled children's workforce.
- ***Councils have a central and recognised role in the design and delivery of Universal Credit*** – we will host the Partnership Forum, secure funding for local support services and ensure the Local Support Services framework recognises the role of local government in the local commissioning and delivery of services to support employment and access to affordable housing, and monitor the wider impact of welfare reform on the services councils need and are able to deliver for their communities.
- ***Councils work effectively with partners to deliver safe communities*** – we will champion the work of councils with police and crime commissioners in tackling anti-social behaviour, crimes against vulnerable people, domestic abuse and serious and organised crime, and also lead a debate about the future of community safety partnerships as well as police and crime commissioners ahead of the next election. We will support Fire and Rescue Authorities to take forward key recommendations from the Knight Review on collaboration across blue light services.
- ***Councils lead the future direction of waste policy and set the agenda for reducing waste and increasing diversion of waste from landfill whilst reducing cost pressures*** – we will support councils to achieve increased recycling rates, pressing for investment in infrastructure to secure increased value from recycled materials and mainstreaming the reuse of products.
- ***The local government workforce is able to deliver the services required by local citizens*** - we will negotiate national agreements that are seen as fit for purpose by councils, represent their interests in reforming the Local Government Pension Scheme and continue to offer practical advice and products for their workforce challenges.

## Sector-led support, improvement and innovation - our core services

We will support councils with improving performance, effectiveness and efficiency.

Our approach is based on four key principles:

- Councils are responsible for their own performance.
- Councils are primarily accountable to their local communities.
- Stronger local accountability and increased transparency drive improvement.
- Councils have collective responsibility for the performance of local government as a whole.

The role of the LGA is to maintain an overview of local government's performance with direct support for councils at risk, so the number of councils the Government has to intervene with is kept to a minimum. Regular meetings are held between the LGA's principal advisors and all councils, and use is made of data and intelligence to assess any risks, with support also being given to the sharing of good practice and expertise across local government.

Councils are making good use of the support we offer and a sector-led approach is proving effective in driving improvement, as well as identifying potential performance challenges and opportunities. There is much peer support activity and through this work councils are demonstrating collective responsibility for local government as a whole, networking and sharing good practice and learning from each other.

Our role is to provide and co-ordinate the necessary tools and support to enable this to happen. This includes:

- in the current spending review period, a tailored corporate **peer challenge** to every council, including a core component looking at issues of leadership, corporate capacity and financial resilience, as well as service specific peer challenges. In 2014-15 we will deliver at least 100 peer challenges.
- **leadership and managerial development programmes** which have already provided opportunities for hundreds of politicians and managers, equipping them to deal with the challenges being faced by their councils.

In 2014-15 we will provide development for at least 500 councillors with leadership roles in their councils – including those in opposition – through our newly refreshed suite of leadership programmes. These include cross-cutting programmes focusing on personal leadership development, leading innovation and change and leadership of communities and place as well as service specific programmes.

We will support at least 50 ambitious and talented councillors with the potential to progress in their political careers through our **Next Generation** programme

Our **Leading Edge** programme will give up to 50 leaders and chief executives the opportunity to work together on developing their leadership roles.

We will help councils, political groups and the national parties attract new talent through our "**Be a Councillor**" campaign.

We will provide member peer support for councils where there has been a change of political control and support in community leadership to new and existing ward councillors.

Through the **National Graduate Development Programme** we will recruit 75 high calibre graduates in to local government, working with councils to secure interesting and challenging placements, as part of a two year programme, building links with other public sector graduate programmes.

- free access to councils and also the public of transparent and **comparable performance information** through LG Inform. This online data benchmarking service enables the comparison and analysis of performance, financial and contextual information about authority areas to support the monitoring and scrutiny of performance and inform decision-making, as well as increasing councils' accountability to local voters and taxpayers. LGInform Plus will provide councils with access to small area data reports and tools, and we will give support and guidance to councils and increasing transparency to drive improvements.
- **direct support** to councils through the lead member peers and principal advisers, working to help them access appropriate support, especially councils with the most severe performance challenges. Our support will take account of the increasing financial pressure being faced by councils. We will provide bespoke support to at least 20 councils in 2014-15, aiming to ensure the Government does not need to intervene.
- through our partnership with the Centre for Public Scrutiny, direct support to councils and councillors in developing **scrutiny skills and expertise**, holding local government and other parts of the public sector to account as democratically elected representatives.
- practical support to help councils continue to develop new and innovative ways to improve **efficiency and productivity** as a major element of public service reform, focusing on adult social care, commissioning and procurement including the roll-out of the Commissioning Academy, capital and assets with support to councils through the One Public Estate programme, future ways of working and housing, waste and economic growth.

In addition to the direct support funded through RSG topslice, we will provide the following sector-led improvement programmes in specific service areas, for which additional funding is being provided by sponsor bodies:

- The Planning Advisory Service
- Towards Excellence in Adult Social Care
- The Joint Improvement Programme to transform services for people with learning disability and autism
- Support for Integration and implementation of the Better Care Fund
- The Health and Wellbeing improvement programme including system leadership support
- Work jointly with ADASS and DH as co-sponsors supporting the implementation of the Care Bill reforms
- Winterbourne view
- Community Safety
- Culture services in partnership with Arts Council England and Sport England.

## Our own efficiency and effectiveness

The LGA is the national voice of local government representing every local authority and locally democratically elected representative across England and Wales.

This includes working to ensure we have:

**Full membership** – we will maintain membership levels amongst local authorities in England and Wales – including fire and rescue, integrated transport and national park authorities - by enhancing the benefits of membership. Having significantly reduced subscriptions over the last five years, we will maintain subscriptions at current levels, and continue to communicate on the benefits of membership directly with individual councils and all councillors.

**Effective governance** – we will make changes to our governance structures creating a City Regions and a People and Places Board to ensure that we fully represent the interests of our members, as well as streamlining our governance arrangements in other areas to ensure we operate efficiently.

**Persuasive communications** – we will work to support, promote and improve local government using the full range of communications activity, ensuring councils have a strong national voice and are well represented to central government.

**Financial sustainability** – we will work with our member authorities and government to ensure we secure core funding for the LGA from 2015/16 from subscriptions and RSG topslice. We will also implement proposals to develop the commercial activities of the LGA and take action to ensure that we maximise the value of our two properties.

**Efficient business management** - we will continue to make changes to improve the efficiency of our back office services, with the aim of achieving further savings in our overheads.

**Effective people management** – we will support our employees through effective performance management and development, and will place a high priority on engaging them in developing and improving our services to councils.

**Accessible information** – we will focus on achieving improvements for our customers and supporting them with sharing information and knowledge, as well as reductions in our own costs by continuing to invest in a coherent, affordable programme of ICT development which aligns with our overall priorities.

## LGA budget 2014/15

			2014/15 £m	2013/14 £m tbc
Subscriptions			9.7	9.7
RSG England			26.0	25.5
RSG Wales			0.3	0.3
Specific grants and other ring-fenced funding			9.5	13.1
Income from direct services (conferences, seminars, sponsorship)			2.9	3.7
Rental income			1.3	1.4
Interest and other income			1.7	1.7
<b>Total income</b>			<b>51.5</b>	<b>55.4</b>
	<b>Pay £m</b>	<b>Non-Pay £m</b>	<b>Total £m</b>	<b>Total £m</b>
<b>Finance and Policy</b>	4.5	1.2	5.7	6.1
<b>Workforce, Leadership and Productivity</b>	5.1	4.2	9.3	9.9
<b>Communications</b>	1.7	1.2	2.9	4.2
<b>Organisational governance</b>	1.8	1.4	3.2	3.2
<b>Grants to other organisations</b>		1.9	1.9	2.2
<b>Special projects</b>		1.5	1.5	0
<b>Total operational costs</b>	<b>13.1</b>	<b>11.5</b>	<b>24.6</b>	<b>25.6</b>
<b>Specific grants and other ring-fenced funding</b>	<b>2.1</b>	<b>6.7</b>	<b>8.8</b>	<b>12.4</b>
Corporate services	1.0	0.4	1.4	1.7
Liberata shared service		5.3	5.3	5.5
Accommodation		2.9	2.9	2.6
Other running costs		1.3	1.3	1.3
<b>Other costs</b>	<b>1.0</b>	<b>9.9</b>	<b>10.9</b>	<b>11.1</b>
Pensions - past employees		0.9	0.9	0.9
Pensions - additional contribution		4.7	4.7	3.9
<b>Additional pension costs</b>		<b>5.6</b>	<b>5.6</b>	<b>4.8</b>
<b>Total expenditure</b>			<b>49.9</b>	<b>53.9</b>

## Performance framework

We will review the impact of our work and our delivery against the priorities in this business plan, through robust performance management including regular reports to members on the LGA's Leadership Board. To support this, **we have developed a robust performance framework with information on the key milestones and deliverables for each area of work.**

**In addition**, we will review our own efficiency and effectiveness through the corporate indicators set out below:

<b>Corporate indicator</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Target 2014/15</b>
<b>Membership</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>
Total membership	422	422	TBC	Maintain or increase
Councils on notice to withdraw after 1 year	9	21	TBC	Reduce
Councils on notice to withdraw after 2 years	25	0	TBC	Reduce
<b>Our reputation</b>		<b>Survey Nov 2012</b>	<b>Survey Nov 2013</b>	<b>Survey Nov 2014</b>
Member authority satisfaction		63%	TBC	TBC
Member authority informed		69%	TBC	
Member authority advocacy rating		77%	TBC	
Value for money rating		46%	TBC	
<b>Financial sustainability</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>
Number of employees in core posts	253	269	TBC	Maintain
Employees – externally-funded posts	38	25	TBC	Maintain or increase
Employees – total headcount (from a baseline of 450 employees in 2011)	291	294	TBC	
<b>Debtors</b>	<b>March 2011</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>
0 – 2 months	79%	94%	TBC	80%
3-12 months	9%	5%	TBC	20%
13-24 months	3%	1%	TBC	0%
Over 24 months	9%	0%	TBC	0%
	100%	100%		100%

Corporate indicator	Actual	Actual	Actual	Target 2014/15
<b>Liberata contract - customer satisfaction</b>	<b>Survey Nov 2011</b>	<b>Survey Nov 2012</b>	<b>Survey Jan 2014</b>	<b>Survey Jan 2015</b>
HR and Payroll	78%	81%	TBC	90%
Finance and accounting	70%	76%	TBC	80%
ICT	45%	65%	TBC	80%
FM	85%	82%	TBC	90%
Print and design	89%	82%	TBC	90%
Overall	<b>54%</b>	<b>61%</b>	<b>TBC</b>	<b>80%</b>
<b>People management</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>
Average sick days per employee for 12 months	4.5 days (public sector average 9.6 days; local government average 10.3 days)	3.2 days	TBC	Maintain or improve
<b>Workforce profile</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015</b>
BAME - proportion of employees Grade 8 and above	10.3%	15.6%	TBC	Increase % of BME employees grade 8+ in line with workforce (17%)
<b>Employee engagement</b>		<b>Survey March 2012</b>	<b>Survey Sept 2013</b>	<b>Survey 2014</b>
Job satisfaction		65%	73%	Improve by an average of 2%
Customer satisfaction		53%	64%	
Communication		59%	67%	
Learning and development		41%	76%	
Line management		65%	76%	
Management visibility		38%	57%	
Work/life balance		62%	67%	
Equality and diversity		69%	78%	
Perceptions of the LGA		51%	53%	
<b>Carbon emissions</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2014</b>	<b>March 2015 reduce by 6% from 2007/2008 baseline of 1,450 CO2 tonnes</b>
	1,155	1,400	TBC	1,085



2014-15 Outline Budget

	Notes	P8 - Current Projections						
		Budget 2013/14	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Income</b>								
Member Subscriptions	1	-10.5	-10.5	-10.5	-10.5	-10.5	-10.5	-10.5
Discount		0.8	0.8	0.8	0.8	0.8	0.8	0.8
Net Subs		-9.7	-9.7	-9.7	-9.7	-9.7	-9.7	-9.7
RSG	2	-25.5	-25.5	-26.0	-23.8	-21.4	-19.3	-17.4
Welsh RSG		-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Ring-fenced funding	3	-13.6	-13.1	-9.5	-9.5	-9.5	-9.5	-9.5
Income from direct services	4	-3.3	-3.8	-2.9	-3.8	-2.9	-3.3	-2.9
Rental income	5	-1.3	-1.4	-1.3	-1.3	-1.3	-1.3	-1.3
Other income	6	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2
Geoplace dividend	7	-1.2	-1.4	-1.5	-1.5	-1.5	-1.5	-1.5
Reserves		-0.4	-0.2	-0.1	-0.1			
		<b>-55.6</b>	<b>-55.5</b>	<b>-51.6</b>	<b>-50.2</b>	<b>-46.9</b>	<b>-45.1</b>	<b>-42.8</b>
<b>Expenditure</b>								
Core Employee Costs	8	17.2	15.4	13.7	13.9	14.0	14.2	14.3
Grants to other bodies	9	2.2	2.2	1.9	1.6	1.4	1.3	1.2
Programme Costs	10	8.9	8.9	8.7	7.4	6.6	6.0	5.4
Ring-fenced funding	3	12.9	12.4	8.8	8.8	8.8	8.8	8.8
Liberata (net cost)	11	5.3	5.5	5.3	5.0	4.8	4.5	4.3
Pension Past Employees	12	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Pension Deficits Reduction Payments	12	3.9	3.9	4.7	4.7	4.7	4.7	4.7
Property Costs	13	2.6	2.6	2.9	3.5	2.7	2.5	3.7
Other overheads	14	1.1	1.7	1.3	1.1	1.0	0.9	0.9
Transition Costs			0.4					
Special projects				1.5				
		<b>55.0</b>	<b>53.9</b>	<b>49.8</b>	<b>47.0</b>	<b>45.1</b>	<b>43.8</b>	<b>44.2</b>
<b>Operating Surplus/(Deficit)</b>		<b>0.7</b>	<b>1.6</b>	<b>1.8</b>	<b>3.2</b>	<b>1.8</b>	<b>1.4</b>	<b>-1.4</b>

APPENDIX B

Assumptions:

- 1 LGA Subscriptions remain at 2013/14 level
- 2 10% annual reduction from 15/16
- 3 Based on known Grants for 2014
- 4 Income from conferences and leadership programmes - increases every other year due to Social Services conference.
- 5 Layden House usage as now
- 6 Mainly investment income
- 7 Dividend from investment in GeoPlace Joint Venture with Ordnance Survey
- 8 1% cost of living increase
- 9 Contributions to Local Partnerships and CfPS in line with RSG - 10% reduction from 15/16.
- 10 Non-pay operational budget reduced in line with RSG reduction
- 3 Based on known Grants for 2014
- 11 Assumes annual 5% cost reduction from 15/16.
- 12 Pensions - assumes no further increase
- 12 Pensions - assumes no further increase
- 13 See Capital Investment programme below
- 14 Other overheads reduced in line with RSG reduction

Capital Investment Programme

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Local Government House	900	1300	500	250	1500	4450
<b>Total</b>	<b>900</b>	<b>1300</b>	<b>500</b>	<b>250</b>	<b>1500</b>	<b>4450</b>



## Note of decisions taken and actions required

**Title:** IDeA Company Board  
**Date and time:** Wednesday 23 October ,2013, 4.00pm  
**Venue:** Local Government House

### Attendance

Chairman	Peter Fleming Gary Porter David Sparks OBE Gerald Vernon Jackson Marianne Overton	Sevenoaks DC South Holland DC Dudley MBC Portsmouth City Lincolnshire CC
	Philip Sellwood Richard Priestman (by telephone)	Independent Board member Independent Board member
<b>Apologies</b>	Sir Merrick Cockell	RB Kensington and Chelsea

Officers	Carolyn Downs Michael Coughlin  Helen Platts  Verity Sinclair	Chief Executive Executive Director, Workforce, Leadership and Productivity Head of Finance and Business Development Member Services
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Item	Decisions and actions	Action by
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**1. Chair**

The Chairman opened the meeting and everybody was introduced.

**2. IDeA Pension Deficit - CONFIDENTIAL**

**3. Second Quarter Performance Report**

Helen Platts presented the second quarter performance report. She updated the board on the LGA's progress over the last 9 months in delivering the priorities in 2013/14 business plan, and in particular those work programmes funded by RSG topslice.

**Decision**

Members *noted* the report.

**Helen Platts**

**Item 5**

4. **Revised Budget – 2013/14 - CONFIDENTIAL**
5. **IDeA Board Membership - CONFIDENTIAL**
6. **Note of the last meeting**

**Decision**

*Members **agreed** the note of the last meeting.*



# LGA location map

## Local Government Association

Local Government House  
 Smith Square  
 London SW1P 3HZ

Tel: 020 7664 3131  
 Fax: 020 7664 3030  
 Email: [info@local.gov.uk](mailto:info@local.gov.uk)  
 Website: [www.local.gov.uk](http://www.local.gov.uk)

## Public transport

Local Government House is well served by public transport. The nearest mainline stations are: Victoria and Waterloo: the local underground stations are

**St James's Park** (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

## Bus routes – Horseferry Road

- 507** Waterloo - Victoria
- C10** Canada Water - Pimlico - Victoria
- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

## Bus routes – Millbank

- 87** Wandsworth - Aldwych
- 3** Crystal Palace - Brixton - Oxford Circus

For further information, visit the Transport for London website at [www.tfl.gov.uk](http://www.tfl.gov.uk)

## Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

## Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone.

For further details, please call 0845 900 1234 or visit the website at [www.cclondon.com](http://www.cclondon.com)

## Car parks

Abingdon Street Car Park (off Great College Street)

Horseferry Road Car Park  
 Horseferry Road/Arneway Street. Visit the website at [www.westminster.gov.uk/parking](http://www.westminster.gov.uk/parking)

