

# IDeA Company Board

Agenda

Thursday, 10 December 2015  
12.30 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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IDeA Company Board  
10 December 2015

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There will be a meeting of the IDeA Company Board at **12.30 pm on Thursday, 10 December 2015** Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

The meeting will take place over a working lunch between meetings of the Leadership Board and LGA Executive. A sandwich lunch will be served prior to the start of the meeting.

**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:**

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<b>Conservative:</b>	Group Office: 020 7664 3223	email: <a href="mailto:lgaconservatives@local.gov.uk">lgaconservatives@local.gov.uk</a>
<b>Labour:</b>	Group Office: 020 7664 3334	email: <a href="mailto:Labour.GroupLGA@local.gov.uk">Labour.GroupLGA@local.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224	email: <a href="mailto:independent.group@local.gov.uk">independent.group@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>

**Location:**

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

**LGA Contact:**

Paul Goodchild  
0207 664 3005 / [paul.goodchild@local.gov.uk](mailto:paul.goodchild@local.gov.uk)

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## IDeA Company Board – Membership 2015/2016

<b>Councillor</b>	<b>Authority</b>
<b>Conservative (3)</b>	
Cllr David Simmonds CBE (Chairman)	Hillingdon London Borough Council
Lord Gary Porter	South Holland District Council
Cllr David Hodge	Surrey County Council
<b>Labour (1)</b>	
Cllr Jim McMahon OBE	Oldham Metropolitan Borough Council
<b>Independent ( 1)</b>	
Cllr Gerald Vernon-Jackson	Portsmouth City Council
<b>Liberal Democrat ( 1)</b>	
Cllr Marianne Overton MBE	Lincolnshire County Council
<b><i>Other Directorships</i></b>	
<b>Philip Sellwood</b>	Chief Executive, Energy Savings Trust
<b>Richard Priestman</b>	Managing Director, Corporate Businesses, Lombard
<b>Company Secretary</b>	
Mike Lloyd	Chief Executive, LGA

## Agenda

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### **IDeA Company Board**

Thursday 10 December 2015

12.30 pm

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

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## **PSAA Ltd and Sector Led Body Development**

### **Purpose**

To receive a review of performance from the Chair and Chief Officer of Public Sector Audit Appointments Limited (PSAA), and to consider proposals for the setting up of a sector led body (SLB) to procure audit services on behalf of local government bodies.

### **Summary**

PSAA was established in August 2014 as a subsidiary of the IDeA to fulfil the role of 'transitional body' on closure of the Audit Commission. Since 1 April 2015 PSAA has been undertaking functions delegated by the Secretary of State Communities and Local Government (CLG) including appointing auditors and managing audit appointments for local government sector and NHS bodies in England.

In October 2015 the Secretary of State CLG decided to extend the transitional arrangements for local government bodies to the end of the 2017/18 financial year audit. For 2018/19 and onwards local government bodies will need to make new arrangements to appoint their auditor. The options include establishing an auditor panel made up of wholly or largely non-elected appointees; joining with other authorities to establish a joint auditor panel or; 'opt-in' to a sector led appointing person arrangements – a sector led body.

The LGA lobbied for the sector led body option to be included in the legislation. National procurement of audit services by local government offers the potential for significant savings and other qualitative benefits. We propose that PSAA is asked to become the LGA's sector led body utilising the valuable skills and experience the company has in the area of audit appointments. Amendments will be required to PSAA's Articles and Memorandum of Association.

### **Recommendations**

That the Board:

1. Note the review of performance from the Chair and the Chief Officer of PSAA;
2. Reconfirm support for developing a sector led body offering to local government bodies; and
3. Invite the PSAA Board to consider becoming the sector led body for the procurement of audit services once the current contracts come to an end.

### **Action**

Officers to take forward the work in light of the Board's decisions.

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## **PSAA Ltd and Sector Led Body Development**

### **Background**

1. In April 2014, the LGA Executive received a report confirming that the LGA had been asked to set up the Audit Transitional Body and the Executive welcomed this and the opportunity it provided to continue to offer councils a means for audit services to be provided through a national procurement process with significant benefits to councils overall.
2. PSAA was established in August 2014 as a wholly owned subsidiary of the IDeA to fulfil the role of 'transitional body' on closure of the Audit Commission. Since 1 April 2015 PSAA has been undertaking functions delegated by the Secretary of State CLG including managing contracts with firms of accountants and appointing auditors to local government and NHS bodies in England. Other activities undertaken by PSAA under the transitional arrangements include the publication of VFM profiles and preparation of the Housing Benefit (HB) subsidy certification arrangements on behalf of the Department of Work and Pensions (DWP).
3. Under the terms of a Memorandum of Understanding (MOU) between the Secretary of State for CLG, IDeA and PSAA, the IDeA is required to:
  - 3.1. hold meetings every six months with the Chair and Chief Officer of PSAA;
  - 3.2. receive the annual report routinely produced by the Chair of the PSAA Audit Committee;
  - 3.3. receive a copy of the PSAA annual report and accounts.
4. This report provides an informal agenda for a discussion with PSAA's Chair and Chief Officer and a first opportunity for a meeting since the company become operational in April 2015. This report also provides details of the arrangements that follow when the transitional arrangements come to an end. In October 2015, the Secretary of State CLG wrote to the LGA to confirm his decision to extend the transitional arrangements for local government, but not NHS, for a further 12 months, to include the 2017/18 audit of accounts. The LGA lobbied for this extension and estimates that it has saved the sector in the order of £24m by locking in historically low audit fees for a further year.
5. Following agreement at the LGA Executive and the LGA's Improvement and Innovation Board, the LGA lobbied for provisions within the Local Audit and Accountability Act 2014 to enable the creation a sector led body capable of negotiating and letting contracts with audit firms on behalf of local authorities who wish to 'opt-in' to such an arrangement. The LGA believe there is scope for significant savings from the national procurement of audit services. In addition to economies of scale a national sector led body would remove the need for local authorities to set up independent procurement panels and could deliver other qualitative benefits.
6. In response to a survey of council Directors of Finance undertaken by LGA in mid-2015 a significant majority of respondents were in favour of a sector led appointment arrangements. PSAA staff and Board members have valuable expertise in the area of managing contracts and appointing auditors, making the company the ideal vehicle to act as the sector led body and fulfil the role of appointing person for opted-in authorities.



### **Update from Chair and Chief Officer of PSAA**

7. Following the successful set up of the company, PSAA commenced operations on 1 April and work has progressed well. Auditor appointments for new bodies have been made and changes to appointments effected where necessary. PSAA has published 'terms of appointment' based on those used by the Audit Commission which set out the detailed requirements of the appointed auditors.
8. PSAA publishes quarterly reports on the contracted firms work and their compliance with its requirements on its website. In July PSAA published the results of the reviews of auditors work on 2013/14 audits. As part of that review work PSAA commissions the Financial Reporting Council (FRC) to undertake inspections of audit work on its behalf.
9. PSAA have considered and approved variations to the published scales of audit fees as appropriate and have launched a consultation on the scales of fees for 2016/17. PSAA has also made HB subsidy certification arrangements at DWP's request and auditors have certified claims for HB subsidy and reported the findings to DWP.
10. The PSAA website explains its work in all these areas and also allows free access to the former Audit Commission VFM profiles which are maintained by PSAA at the request of DCLG. PSAA have published an annual report on the outcomes of auditors' work at NHS bodies and will produce a similar one on auditors' work at LG bodies in December.
11. PSAA works with colleagues from DCLG, DH, FRC, ICAEW, LGA and NALC to support the transition to the new regime sharing its expertise where it can have best effect.

### **End of the transitional arrangements**

12. In October 2015 LGA received a letter from the Secretary of State confirming his decision to extend the transitional arrangements for local government bodies to include the 2017/18 audit of accounts. For 2018/19 audits and onwards local government bodies, including all councils, police, fire and national park authorities need to make new arrangements to appoint their auditor. The options comprise:
  - 12.1. establishing an auditor panel made up of wholly or largely non-elected appointees and carrying out individual procurement exercises to select an auditor;
  - 12.2. joining with other authorities to establish a joint auditor panel or;
  - 12.3. 'opting-in' to a sector led appointing person arrangements – a sector led body.
13. The LGA lobbied for the sector led body option to be included in the legislation. National procurement of audit services by local government offers the potential for significant savings through the economies of scale derived from letting large value contracts. A national sector led body would also offer savings against the costs of setting up local auditor panel arrangements and in being able deliver qualitative benefits.
14. Support for such a body was assessed in May and June 2015 when LGA undertook a survey of Directors of Finance (or equivalent) in all 353 English local authorities, 47 Fire and Rescue Authorities, 38 Police and Crime Commissioners and 39 Police Forces. A total of 477 organisations were contacted. We received a 38 per cent response rate overall, and a 42 per cent response rate from councils.

15. The survey indicated:

- 15.1. 83 per cent of respondents said 'yes' their organisation would support extending the current contracts for external audit. In response, the LGA lobbied for an extension and we believe the extra year has locked in savings in the order of £24m for local government sector bodies and delivered additional time to put in place new arrangements.
- 15.2. 58 per cent of respondents said their organisation would prefer an 'opt-in' sector-wide body for collective procurement set up by the LGA and we have therefore started the work to establish sector led 'appointing person' arrangements in the form of establishing a Sector Led Body (SLB).

**Development of a sector led body**

16. In response to the survey work has commenced on the feasibility of establishing a national sector led offering. This will have the ability to negotiate high value contracts with the firms and the potential to secure the most economic and efficient approach to procurement of external audit on behalf of the whole sector. The feasibility work has identified some of the potential risks and rewards from such an approach.
17. By offering large contract values the audit firms would be able to offer better rates and lower fees than are likely to result from local negotiation. Firms would be better able to organise their work geographically which is likely to have an impact on quality and responsiveness and reflect the current arrangements where firms have developed 'centres of excellence'. Any independence issues at individual authorities, ie where an individual firm is prevented from being the auditor because of the level of advice or consultancy work already being undertaken at a council, would be managed by the SLB who would have a number of contracted firms to call upon.
18. The appointment process would not be ceded to locally appointed independent members. Instead a separate body set up to act in the collective interests of the 'opt-in' authorities would make decisions about individual appointments utilising the knowledge and experience acquired through the setting up of the transitional arrangements and the experience of staff and Board members of PSAA.
19. The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities although IDeA would need to provide the initial funding for the development and marketing of the body. In order for this to be viable and to achieve the strongest possible negotiating position, it will need councils to indicate their intention to opt-in before final contract prices are known. Initial estimates suggest that we would need around 50% - 60% of authorities to opt-in and be able to award a total minimum value of contracts in the order of £20 million to make this a financially viable proposition.
20. We propose that the Board of PSAA is asked to consider becoming the LGA's sector led body utilising the valuable skills and experience the company has in the area of audit appointments. The Board is Chaired by Steve Freer, former Chief Executive of CIPFA, and the other non-executive directors are Caroline Gardener, Auditor General Scotland, Dr Clive Grace, former Deputy Auditor General Wales and Stephen Sellers, former local authority solicitor and latterly Partner at Wragges and Co. PSAA staff have valuable skills and experience having all been transferred under TUPE from the Audit Commission. We

anticipate that 3 or 4 FTE posts will be required for the SLB compared with a current PSAA FTE establishment of 12.

### **Next steps**

21. Members are asked to:

- 21.1 Note the review of performance from the Chair and the Chief Officer of PSAA;
- 21.2 Reconfirm support for developing a sector led body offering to local government bodies; and
- 21.3 Invite the PSAA Board to consider becoming the sector led body for the procurement of audit services once the current contracts come to an end.

### **Financial Implications**

22. The costs of development work on a sector led body in this financial year are included in the IDeA's budget.

### **Legal implications**

23. Amendments will be required to PSAA's Articles and Memorandum of Association. Appropriate governance arrangements will need to be established to ensure that PSAA is still able to maintain its independence from LGA with regard to undertaking delegated statutory functions as the transitional body. Under the MOU the Secretary of State needs to be consulted about any amendment to the company's founding documents, our understanding is that the Secretary of State is supportive of proposal to utilise PSAA as the SLB and the savings to the public purse that this may deliver.



## **RSG Memorandum of Understanding – Six Month Monitoring Report**

**April to September 2015**

### **Purpose**

For decision.

### **Summary**

This six-month monitoring report presents a summary of the LGA's overall financial performance and performance against the Memorandum of Understanding we have with DCLG about the use of RSG over the period from 1 April to 30 September 2015.

### **Recommendation**

That the IDeA Board approves the six-month monitoring report and highlights any areas for further action or report back.

### **Action**

Officers to initiate any required action.

### **Contact officer:**

Dennis Skinner

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Strategic Finance Manager

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## **RSG Memorandum of Understanding – Six Month Monitoring Report**

### **April to September 2015**

#### **Background**

1. At the last Board meeting, members were provided with an update on the Memorandum of Understanding (MoU) that was being discussed with DCLG on the RSG allocation for 2015/16. The final version of the MOU has now been signed.
2. The main change from the version circulated at the last Board meeting was that officers persuaded DCLG officials to remove the proposed restriction from RSG being used to pay additional pension contributions.
3. The MoU commits the LGA to submit to the Secretary of State quarterly performance reports.

#### **Performance**

4. The performance report for the period April to September 2015, which has been submitted to DCLG is attached as Appendix 1.
5. Overall performance is strong. Of the 26 key targets, 15 are rag-rated green and the remaining 11 are on course to be delivered and currently rated amber. Key highlights to the end of September include:
  - 5.1. 31 peer challenges delivered
  - 5.2. 101 councils received direct improvement support and a further 38 provided with change of control support and 27 bespoke mentoring support
  - 5.3. Helped councils deliver savings through our national software procurement framework totalling £12m
  - 5.4. Helped a further 10 councils achieve savings of £7m through the use of our productivity experts
  - 5.5. Launched our innovative programme with the Design Council supporting 20 councils
  - 5.6. On course for a record year in the number of councillors attending our leadership programmes with 548 either attended or booked on courses by the end of September
  - 5.7. Supporting a range of councils and areas with their devolution bids.
  - 5.8. Supported over 40 councils to address their workforce challenges through a range of bespoke support.

#### **Financial performance**

6. The management accounts for the LGA overall to the end of October 2015 are at Appendix B and show a projected underspend of £2.6 million for the year. This is due to:

- 6.1 Savings arising from the restructuring of external support services and transfer of ICT contracts from Liberata to Brent. This includes staff savings and additional income arising from the corporate and Liberata projects totalling £2,370k, offset in part by redundancy costs of £600k;
  - 6.2 Core salaries - expected to be under budget by £424k;
  - 6.3 Increased dividends from Geoplace - £250k;
  - 6.4 Decreased net programme costs - £416k;
  - 6.5 Increased contribution to overheads from grant and ring-fenced programs - £145k; and
  - 6.6 Reduced rental income & increased maintenance costs in both Local Government House & Layden House - £376k.
7. RSG Programme spend is on course to be almost fully spent with the exception of one area. Given the extension of the external audit contracts announced by government by a further year the budget for work on the sector led body will not be fully utilised this year. It is proposed that £100,000 of this budget is used to support the new work we are doing to help councils implement the Syrian Vulnerable Persons Relocation scheme.
  8. The RSG allocation for 2016/17 for the IDeA is due to be announced, as usual, as part of the Provisional Local Government Finance Settlement later this month. In discussion with the LGA Chairman in the summer, ministers indicated that they no longer intended to take forward the potential outsourcing of improvement work as indicated by the previous Secretary of State in December 2014. However, the indications from the Spending Review is that external support from central government to local government is likely to be reduced by around 24% over the period to 2019/20. Government have also announced that as part of their plans to allow local government as a whole to retain 100% of business rates, they are also looking to phase out RSG to councils by 2020.
  9. Officers will keep the Board updated once the announcement is made and any implications.





**Sector-led support, improvement and innovation:** Councils are responsible for their own performance, effectiveness and efficiency, accountable above all else to their local Communities

Target	What have we delivered by end of Sept	Traffic light: did we deliver what we said we would deliver?
<b>Peer Work in Councils</b>		
<p>Delivering at least 100 peer challenges involving councillor and senior officer peers from the sector and other organisations including the voluntary and business sectors and from government departments, spending between 3 and 5 days in an authority challenging what the council is doing, identifying good practice and areas for improvement. The challenges will include:</p> <ul style="list-style-type: none"> <li>- tailored corporate peer challenges focusing on issues of leadership, corporate capacity and financial resilience</li> <li>- service specific peer challenges, particularly on safeguarding, adults and health</li> <li>- place based peer challenges.</li> </ul>	<p>99 peer challenges have been delivered, are confirmed, or are in discussion. 31 challenges delivered to date. This includes a range of different peer challenges including corporate, finance, fire, children's and adults and follow up visits. In addition, there have been 8 peer development/briefing events. The number of peer challenges delivered is normally greater in the second half of the year than in the first half and the general election had an impact on the take up of peer challenge in the early part of the year.</p>	<b>Amber</b>
<p>Providing tailored support to individual councils and groups of councils, especially councils with the most severe performance challenges. This will include bespoke support for at least 40 councils.</p>	<p>The LGA has been currently working with the following numbers of councils in relation to each of our various improvement support offers:</p> <p>Change of control/leader support 38                      Bespoke mentoring support 27                      Delivery of top team development work 16                      Follow up work to peer challenges 17                      Direct improvement support 101.</p>	<b>Green</b>
<p>Supporting at least 10 councils to manage and resolve issues between the political and managerial leadership of a council to ensure these councils continue to deliver the outcomes they are seeking for their communities.</p>	<p>12 councils have received specific chief executive and leader relationship support to date.</p>	<b>Green</b>
<p>Providing direct support to at least 20 councils in developing scrutiny skills and expertise, holding both local government and other parts of the public sector to account as democratically elected local representatives.</p>	<p>Support has been provided to 21 Councils through our partnership with CfPS to date</p>	<b>Green</b>
<b>Efficiency and Productivity</b>		
<p>Developing more opportunities for councils to enter into procurement opportunities as set out in the National Procurement Strategy, such as category management, contract management and shared procurements, particularly in high spend areas such as information technology, construction, energy and social care, saving councils at least £10m a year.</p>	<p>Work continues to implement the National Procurement Strategy, with the launch of the category strategy for Social Care taking place in October. The national software procurement framework is on target to achieve annual savings of £12m from 170 separate contracts in the current year.</p>	<b>Green</b>
<p>Providing a productivity expert to work with at least 20 councils to provide them with the skills and expertise required to enable them to realise efficiency savings, saving the councils in total at least £20m.</p>	<p>By the end of this quarter, 10 councils were receiving productivity expert support and they were projecting savings of £7m.</p>	<b>Amber</b>

Supporting at least 5 councils to pilot new ways of delivering learning disability services more efficiently with a view to sharing the learning nationally via reports, national events, case study material and networking. This programme will aim to save councils a total of £5m.	The five authorities participating in the LDSE project (Barking and Dagenham, Cumbria, Darlington, Kent and Wiltshire) are now well into the delivery phase of the project. During June, the Programme Advisor, Professor John Bolton, visited the participating areas to provide challenge and support to the work. An interim position report was published in August which reports projected savings in excess of £20m over the duration of the programme. A programme event is being planned for February to share learning with the wider sector.	<b>Green</b>
Working with at least 10 councils to help them make their waste and recycling contracts more efficient	Research indicates that a significant number of councils are due to renew their contracts for waste services over the next two years. A prospectus was issued to invite expressions of interest for the programme to identify and develop good practice with a deadline of the end of July. The waste programme is now supporting 11 projects involving 60 councils.	<b>Green</b>
Providing bespoke political and officer support for at least 25 individual authorities helping them to address financial sustainability; integrated budgets, management of risk and new delivery models.	Support has been provided to 11 authorities: financial reviews have been carried out in three authorities, support visits have been carried out with another three, and bespoke support has been provided to a further five authorities. Further financial reviews are planned for November and December while considerable interests has been identified for the New Year. Advice has been given to Principal Advisers and Programme Managers in relation to several more.	<b>Amber</b>
Providing a “matchmaking service” for councils who wish to share services and/or management teams with other councils or with other public services.	This is an action planned for later in the financial year, although we are currently brokering an arrangement that could see 2 local authorities agreeing to share a Chief Executive by the end of the year.	<b>Amber</b>
Capturing and promoting good practice in shared services and shared management arrangements, through our interactive web-based map and also providing bespoke political and managerial support to councils wishing to share a chief executive and senior management arrangements.	The revised shared services map was published in May and now shows that there are at least 416 shared service arrangements in place across the country, delivering annual savings of at least £462m a year.	<b>Green</b>
Equip more councils with the skills and confidence to use design to improve public services and manage future demand for them. Delegates from up to 20 councils will receive the mentoring and guidance needed to implement new activity and tangible projects over a 90 day period and their experiences and knowledge will be disseminated across the sector.	Work is underway in both cohorts of the LGA and Design Council’s Design in Public Services programme - in the South West and East of England. The programme is proving very popular, with 10 councils from each region and their partners are benefitting from greater skills and confidence in using Design tools to solve their most urgent public services challenges.	<b>Green</b>
Develop a plan to build sector capacity and leadership to support further digitisation of both transactions and wider work on transformation	We carried out research working directly with councils and with sector representative bodies including Socitm, Solace and the Local CIO Council, to establish what councils have been doing, what they think are the priorities and how best to support councils. This feedback and research was used to inform the LG Digital SR submission which included a section on capacity and leadership We have also have plans in place for this year’s work programme to support a small group of councils apply digital solutions to wider work on transformation.	<b>Green</b>

Proactively support the widening of digital and cyber resilience awareness across Local Authorities and their active participation in the national Cyber-Security Information Sharing Partnership (CiSP).	The LGA is working with Cabinet Office and DCLG to help councils better understand the threats posed by cyber criminals, we are planning to co-host a number of events early in the New Year including an exercise with a small group of councils and a major conference.	Amber
Create and maintain an on-line database of innovation and other notable practice designed to help councils identify opportunities to save money and generate income.	This database has been launched including examples from last year's Innovation Zone and has been expanding since to include wider notable examples of good practice as well as the examples from this year's Innovation Zone. It currently includes 800 case studies although this figure is continuously increasing as further examples are added. The database was accessed 350 times in the week of 3/10/15 alone.	Green
<b>Strong political Leadership</b>		
Providing development opportunities for at least 500 councillors with leadership roles in their councils – including those in opposition – through our newly refreshed suite of leadership programmes. Over 90% of participants agreeing that the programme has made a difference.	To date, 548 councillors have attended or are booked to attend our various Leadership Academy, Leadership Essentials and Focus on Leadership programmes this year.	Amber
Supporting at least 50 ambitious and talented councillors with the potential to progress in their political careers through our highly acclaimed Next Generation programme. Our aim will be for at least 50% of participants to have gone on to be cabinet members, committee chairs or leaders within the following 5 years.	The programme successfully supported 58 councillors in the year up to September 2015 to develop their leadership skills and political careers. The 2015/16 Next Generation programmes begin in October 2015 and are expected to deliver support to 60 councillors - 20 Labour, 16 Independent, 15 Conservative and 9 Lib Dems.	Green
Supporting up to 50 leaders and chief executives through our Leading Edge and other programmes providing them with the opportunity to work together on developing their leadership roles, exploring new ways of working and new models of service delivery, in particular focusing on dealing with the financial challenges facing local government and the public sector more generally.	38 leaders and chief executives from councils in Surrey, Sussex and Brighton have signed up to attend our Leading Edge programme on Place Based Leadership and Devolution in November. We are planning to run a second Leading Edge programme early in the new year. 14 Council Leaders are signed up to attend our Leaders' Programme, which starts in October.	Amber
Recruiting up to 100 high calibre graduates in to local government, working with councils to secure interesting and challenging placements for them through a two year management development programme as the basis for a successful leadership career in local government, linking with graduate recruitment across the rest of the public sector.	The ngdp Cohort 17 recruitment process has now closed. 98 graduates have now been placed in over 44 councils and their learning and development programme will commence with an Induction event at the end of October.	Green

<b>Strong Local Economies</b>		
Providing support to groupings of councils to build capacity to deliver growth and devolution deals which support the growth of the sub-regional economy.	The LGA continues to work directly with councils and groups of councils to support and advise them as they prepared their proposals and negotiate with Government. Officers have also spoken at a number of regional events. We have launched our extensive DevoNext Hub as best source of information and advice on devolution in England. We will shortly be running the first of our communications for devolution events. We will shortly be piloting our first 24-hour event on place-based leadership and devolution. Planning for more events on devolution is underway.	<b>Green</b>
Supporting at least 15 councils, through our Economic Growth Advisor programme, to build the economic capacity of their area and thereby help improve its economic future. Each local area will be provided with expert help to progress local economic growth initiatives.	Phase three of the Economic Growth Adviser programme was launched in July 2015 and 6 bids have been received so far involving 15 councils.	<b>Green</b>
Supporting at least 150 councillors to maximise the contribution of culture and sport to growth and re-vitalising communities by a programme of leadership support and challenge.	15 portfolio holders attended the latest LGA/ACE Libraries seminar on 15 September at The British Library, with another planned for 27 January. 90% of delegates felt the seminar shared useful learning and tools. We have offered three fully funded library peer reviews to councils and are signposting all councils who expressed an interest to other forms of support. Other upcoming leadership events include two Culture Leadership Essential Programmes (3-4 November and 2-3 December, with ACE) and two Sport Leadership Essentials Programmes (21 – 22 October and early 2016 to be confirmed, with Sport England.) So far this year we have supported 35 portfolio holders to lead transformational change of sport and library services.	<b>Amber</b>
<b>Workforce, Transformation and Integration</b>		
Providing support to at least 15 councils to develop a more commercial approach to their activities such as help in accessing social finance and greater collaboration with the private and third sectors.	The Advanced Commercialisation Group of 15 authorities has now met twice, with a view to sharing their experiences of commercialisation and developing an improvement offer to be shared with other councils. A presentation by a member of the Group has been given to the Improvement and Innovation Board.	<b>Green</b>
Supporting councils to implement the new Prevent duties included in the Serious and Organised Crime Act 2015.	Commissioned a series of case studies to demonstrate how councils are undertaking their prevent duties which is due to be published later in the autumn, and in discussion with the Home Office about developing support for councillors to compliment their package of support which is available for councils.	<b>Amber</b>

<p>Supporting councils in addressing immediate and future strategic workforce challenges in areas such as service transformation, reward systems, talent management, integrated workforces, employment models, and employee engagement. We will work directly with at least 15% of councils.</p>	<p>Support has been provided to 42 councils to date. A range of improvement related products have been developed including Timewise offer to councils, 21st century public servant working group with PPMA and SOLACE sharing evolving practice and commissioned work from CIPD and the Kings Fund addressing HR issues arising from integrated services. An event on integration issues for HR practitioners will be held on the 5th of Nov with 60 attendees expected. A commissioned analysis of senior officer reward packages using the Epaycheck database has been completed. Refinements to the ongoing offer on reward reform include an analysis of innovative pay progression systems and additional survey material on changes to terms and conditions</p>	<p><b>Amber</b></p>
<p>Rolling out to a further 10 councils our tool to help councils to review and reduce their layers and spans of control as a way of reducing their costs.</p>	<p>We are working with 3 councils at present and we have developed additional marketing materials to promote DMA more widely. We are also developing a DMA value-adding self-assessment tool, which will be free for councils to use to determine whether their structures are fit for purpose.</p>	<p><b>Amber</b></p>

Theme	Deliverables	2015/16 Target	Number delivered per quarter				Total	% achieved	Commentary/forecast
			Q1 Apr - June	Q2 July - Sept	Q3 Oct - Dec	Q4 Jan - Mar			
<b>Peer Work in Local Authorities</b>									
	Deliver at least 100 peer challenges (corporate, service specific, place based)	100	18	13			31	31%	
	Tailored support to at least 40 local authorities, or groups of authorities, with the most severe performance challenges	40	19	8			27	68%	
	Support at least 10 local authorities to manage and resolve issues between their political and managerial leadership	10	6	6			12	120%	
	Support at least 20 local authorities to develop their scrutiny skills	20	16	5			21	105%	
<b>Efficiency &amp; Productivity</b>									
	Productivity experts to work with at least 20 local authorities	20	4	6			10	50%	
	Support at least 5 local authorities to pilot new ways of delivering learning disability services	5	5	5			5	100%	
	Work with at least 10 local authorities to make their waste and recycling contracts more efficient	10	0	60			60	600%	
	Bespoke political and officer support for at least 25 local authorities to address financial sustainability; integrated budgets, management of risk and new delivery models	25	6	5			11	44%	
	Develop and publish a practical guide for local authorities to identify and manage the causes and triggers of demand and provide support for up to 20 councils.	20	10	10			20	100%	
<b>Strong Political Leadership</b>									
	Training for at least 500 councillors with leadership roles in their local authorities	500	347	201			548	110%	548 are currently booked onto courses
	Support at least 50 talented councillors to progress their political careers through the Next Generation programme	50	58	58			58	116%	
	Recruit up to 100 high calibre graduates in to local government	100	n/a	98			98	98%	
<b>Strong Local Economies</b>									
	Tailored support to at least 15 local authorities to deliver their growth plans	15	4	11			15	100%	
	support at least 150 councillors to maximise the contribution of culture and sport to growth.	150	n/a	35			35	23%	
<b>Workforce, Transformation and Integration</b>									
	Support at least 15% of local authorities to transform their workforces and modernise the way they are managed	52	25	17			42	81%	
	Support at least 15 local authorities to develop a more commercial approach to their activities to deliver services differently	15	15	15			15	100%	
	Roll out tools to at least 10 local authorities to help review and reduce their management layers and spans	10	2	3			3	30%	

LGA Management Accounts

Oct-15

**At a Glance - Overview**

Overall, there is a projected underspend in the region of **£2.6m** at year-end..

The is primarily due to:

- Restructuring savings arising from external support services contracts (Liberata and Brent), and staff savings from the corporate and Liberata projects totalling £2,370k this is offset by redundancies - £600k
- Core salaries - is expected to be under budget by £424k.
- Increased dividends from Geoplace - £250k.
- Decreased net programme costs - £416k
- Increased Contribution to overheads - £145k
- Reduced rent & increased maintenance costs in both Local Government House & Layden House - £376k

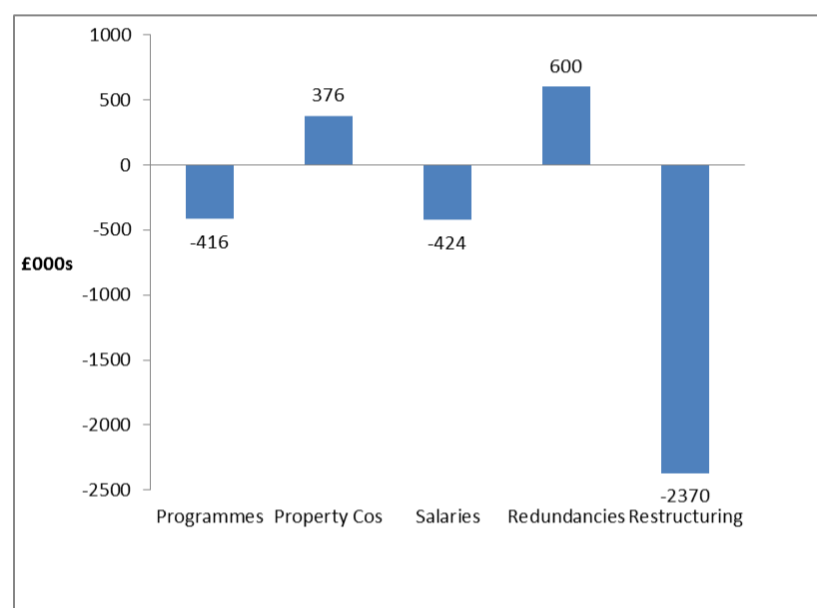
The development fees for Layden House in the current are currently projected to be £1.97m. Note LGMB cash balances are now almost nil, as a result of this expenditure. Proposals will be bought forward in the new year to fund the development project. In the meantime cashflow is being funded from within the Groups significant treasury management balances.

100% of Subscriptions have been collected for 2015/16.

**Core Activities**

The LGA's overall income is projected to be in the region of **£0.3m** higher than budgeted income. Operating expenditure has projected underspends in the region of **£2.2m** against budgets. The key variances are:

- |                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- <b>Restructuring and External Shared Services Contracts - (Liberata and Brent) underspend £2,370k</b></li> <li>- <b>Core Salaries- underspend £424k</b></li> <li>- <b>Redundancies additional costs - £600k</b></li> <li>- <b>Property Companies overspend - £376k</b></li> <li>- <b>Programme underspend - £416k;</b></li> </ul> | <p>A reduction in both costs and income represent the agreed charges between Liberata and Brent and the LGA and other parties.</p> <p>Due to to savings from restructuring.</p> <p>The estimated forecast is due to the recent restructure.</p> <p>Largely due to unbudgetted maintenance costs and reduced rent.</p> <p>mainly due to Finance &amp; Policy - £96k, Communications - £160k, Workforce, Leadership &amp; Productivity - £160k.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



**Ring-fenced Activity**

The variances in forecasts for ringfenced activity are mainly due to increased income from: Care & Health programmes - £1.23m, Yr2 for Open Data Release - £1m, Police Negotiations - £52k, Scottish Police Negotiations - £50k and Customer Led Transformation - £50k this is offset by Pensions reduction - £121k.

In total £12.4m in grant / ring-fenced income. This is expected to generate £1.25m in contribution to overheads, **£145k** over the current budget.

**Risks**

The supplier payments target of 95% is not being met; this month 91% was reached; this is partly due to purchase orders not being raised in advance of the invoice being received. In budget terms this could create an overspend due to commitments not being correctly monitored.

**Opportunities**

The percentage of actuals spent compared to the programme full year budget is 42%; this breaks down to Finance & Policy 25%, Workforce Leadership & Productivity - 35%, Communications - 51% and Organisational Governance - 55%; this could lead to a greater underspend at year-end.

## LG COMPANY REPORT - TOP LEVEL CONSOLIDATION - OCTOBER 2015

RAG Status Key	
G	Within 5% of budget
A	Between 5% - 10% of budget.
R	10% under /over budget

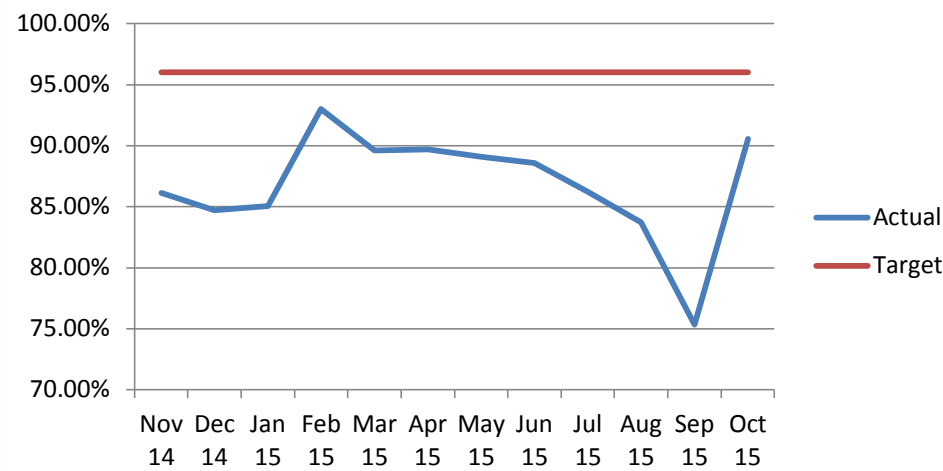
As at Period 7								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2015/16 £000s	2015/16 £000s	2015/16 £000s	£000s	2015/16 £000s	2015/16 £000s		
<b>INCOME:</b>								
Subscription Income (Net of discounts)	(9,414)	(9,422)	(7)	(9,414)	(9,422)	(8)	Subscriptions slightly higher than expected estimated budget. 100% has been collected to date.	G
RSG Income	(13,448)	(13,637)	(189)	(22,832)	(22,832)	-	On-budget	G
Welsh RSG Income	(175)	(175)	(0)	(299)	(299)	-	On-budget	G
Income from Direct Services	(2,181)	(2,356)	(175)	(3,703)	(3,688)	15	The year-end variance are mainly due to an undercollection of negotiations subscriptions - £31k, NGDP - £27k and Peer Support - £45k off-set by: Inform plus - £46k, LG Support team - £15k, Research & Information - £10k, Communications - £12k and Political Offices - £5k.	G
Rental Income	(649)	(894)	(245)	(1,255)	(1,194)	61	In-year variance is timing difference. The year-end variance is due to Land Data and Telappliant leaving Layden House and Liberata leaving LGH.	G
Other Income	(74)	29	102	(130)	(234)	(104)	The year-end variance is mainly due to unbudgeted income within Legal Services, increased investments and room hire income.	G
Dividends	(750)	(750)	-	(1,500)	(1,750)	(250)	The year-end variance is due to the Geoplace monthly report indicates an increased dividend in 2015/16.	G
<b>Total Core Income</b>	<b>(26,736)</b>	<b>(27,219)</b>	<b>(483)</b>	<b>(39,224)</b>	<b>(39,510)</b>	<b>(285)</b>		



As at Period 7								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2015/16 £000s	2015/16 £000s	2015/16 £000s	£000s	2015/16 £000s	2015/16 £000s		
<b>EXPENDITURE:</b>								
Core Employee Costs	9,188	9,256	68	15,203	14,779	(424)	In-year variance is due to redundancy payments not yet taken. Year-end variance is mainly within Local Government Support Team this could be used to fund a research project and recent vacancies in Communications.	G
Extra Employee Costs	-	47	47		600	600	Redundancy allowance - year to date expenditure will be offset against last year's provision. The year-end forecast is due to the recent restructure.	R
RSG payments to 3rd parties	1,671	1,046	(625)	1,671	1,671	-	On-budget	G
Programme Costs	5,866	3,918	(1,948)	10,557	10,126	(431)	The year-end variance is due to overspends: Political Offices - £5k, Productivity - £50k, LG inform - £36k and Improvement Support - £3k this is offset by an underspend in Finance & Policy - £96k, Negotiations - £39k, NGDP - £4k, Support for Councils at Risk - £50k, Leadership & Localism - £61k, Sector Led Body - £100k, Peer Support - £25k and Conference & Events - £150k.	G
Liberata/Brent Contract	1,423	(979)	(2,402)	2,143	1,473	(670)	The year-to-date variance is due to timing difference on invoices paid and received. The underspend is due to the agreed remaining charges between Liberata and future costs with Brent using the model set at 450 users.	G
Shared Services	(152)	2,628	2,780	(55)	(55)	-	In-year variance is timing difference. On-budget at year-end	R
Other running costs	1,928	1,286	(642)	5,095	3,574	(1,521)	The year-end underspend is due to: Savings from restructure - £1.7m, lower than expected consultancy costs in Business Management - £140k offset by Legal services - £14k, increased Corporate costs - £197k, Teckal set up costs - £11k and Commercial Activity - £38k	G
Property Costs	1,127	1,529	402	2,343	2,658	315	The overspend is made up of: Maintenance costs - £170k Local Government House and £554k Layden House.	R
Pensions - Past employees	490	(143)	(633)	940	940	-	On-budget	G
Pension Deficits Reduction Payments	-	1,278	1,278	2,433	2,433	-	On-budget	G
<b>Total Core Expenditure</b>	<b>21,540</b>	<b>19,864</b>	<b>(1,676)</b>	<b>40,329</b>	<b>38,199</b>	<b>(2,131)</b>		
<b>NET CORE POSITION (Surplus) Deficit</b>	<b>(5,196)</b>	<b>(7,356)</b>	<b>(2,160)</b>	<b>1,105</b>	<b>(1,311)</b>	<b>(2,416)</b>		

As at Period 7								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2015/16 £000s	2015/16 £000s	2015/16 £000s	£000s	2015/16 £000s	2015/16 £000s		
Ring Fenced income	(5,254)	(7,770)	(2,516)	(10,182)	(12,439)	(2,257)	The year-end variance are mainly due to an increase in income from: Care & Health programmes - £1.23m, Yr2 for Open Data Release - £1m, Police Negotiations - £52k, Scottish Police Negotiations - £50k and Customer Led Transformation - £50k this is offset by Pensions - £121k.	G
Ring-fenced expenditure	6,184	7,153	969	10,182	12,439	2,257	As above	R
Ring-fenced overhead recovery	(623)	(719)	(97)	(1,105)	(1,250)	(145)		G
<b>Net Ring Fenced Position</b>	<b>307</b>	<b>(1,336)</b>	<b>(1,643)</b>	<b>(1,105)</b>	<b>(1,250)</b>	<b>(145)</b>		
<b>NET LGA POSITION (Surplus) Deficit</b>	<b>(4,889)</b>	<b>(8,692)</b>	<b>(3,803)</b>	<b>-</b>	<b>(2,561)</b>	<b>(2,561)</b>		

Supplier payments within 30 days



The LGA is currently paying 91% of invoices within 30 days of the invoice date.

One cause of delay is POs being raised after the invoice has been received, 92 transactions in October at a total value of £346k.

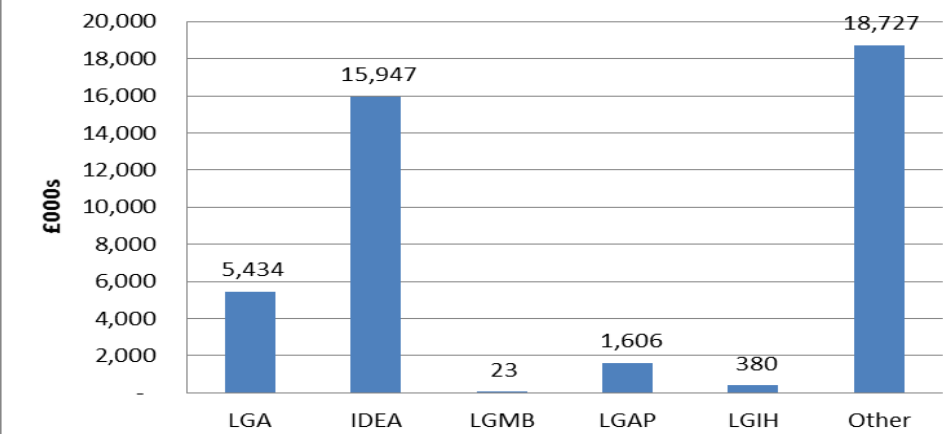
The line in the graph plots the gap to compliance over the last year.

Directorate	Total
Finance & Policy	13
Chief Executives	33
Workforce, Leadership & Productivity	31
Communications	15
<b>Grand Total</b>	<b>92</b>

Supplier payments over £100,000 - rolling 12 months  
(excl. payments to Local Authorities and Pension Funds, and inter company payments)

Name	Value
LIBERATA UK LTD	5,935,586.52
BEVAN BRITTAN LLP	1,461,806.38
PORISM LTD	600,660.11
ARK BUILD PLC	450,769.79
WARWICK UNIVERSITY TRAINING LTD	446,223.40
CLICK TRAVEL LTD	436,958.45
PETER BRETT ASSOCIATES LLP	264,812.72
POLYGLOBE LTD	237,927.43
CONSEIL COMMUNES REGIONS EUROPE - (CCRE -CEMR)	231,916.33
SIZZLE	193,929.78
ROBERT HALF LTD	175,038.17
SHARED INTELLIGENCE LTD	166,511.40
UNIVERSITY OF BIRMINGHAM	142,775.96
SOLACE FOUNDATION	139,384.97
URS INFRASTRUCTURE & ENVIRONMENT UK LTD	124,574.18
E C HARRIS LLP	124,154.19
SOLACE	113,588.16
VEREDUS	112,200.00
ERNST & YOUNG LLP	106,994.30
LITTLEJOHN	106,000.00
FORTISMERE ASSOCIATES LTD	104,667.18
EDF ENERGY 1 LIMITED	102,217.47
MSA ASSOCIATES	100,735.64
<b>TOTAL</b>	<b>11,879,433</b>

Company Investments



Subscription Income Collection (Net of discounts)

	2015/16 to P7 £000s	2014/15 to P7 £000s	Variance £000s
Full Year Budget	(9,414)	(9,468)	54
Amounts Invoiced / Credited	(9,414)	(9,468)	54
Amounts Collected	9,414	9,468	(54)
%age of budget	100%	100%	0%
Amounts Outstanding	0	0	0

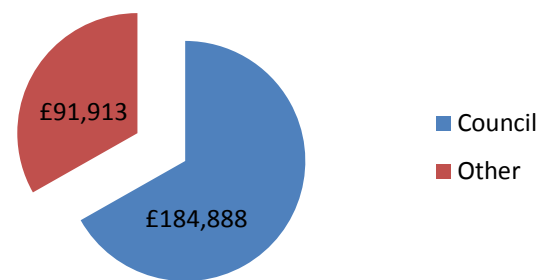
Of payments made in the last year, suppliers over £100k account for >>>>> **34%**

Note remaining balances are held in overnight cash deposit accounts. The total cash investment is £42.1m

Row Labels	
Bank of Scotland	£ 1,500,000
Commonwealth Bank of Australia	£ 1,500,000
Nationwide	£ 1,500,000
Santander	£ 1,500,000
United Oversea Bank	£ 1,500,000
Public Sector Investment Fund	£ 10,500,000
Australia & NZ Group	£ 1,500,000
Bank of Nova Scotia	£ 1,500,000
Investment Account	£ 2,634,900
Standard	£ 1,500,000
Lloyds	£ 1,500,000
Credit Suisse	£ 1,500,000
Nordea Bank AB	£ 1,500,000
Rabobank	£ 1,500,000
Landesbank Hessen-Thuringen	£ 1,500,000
Daimler AG	£ 2,987,294
Coventry BS	£ 1,500,000
DZ Bank	£ 1,500,000
Oversea-Chinese Banking Corporation	£ 1,500,000
UK Treasury Bills	£ 1,994,629
<b>Grand Total</b>	<b>£ 42,116,824</b>

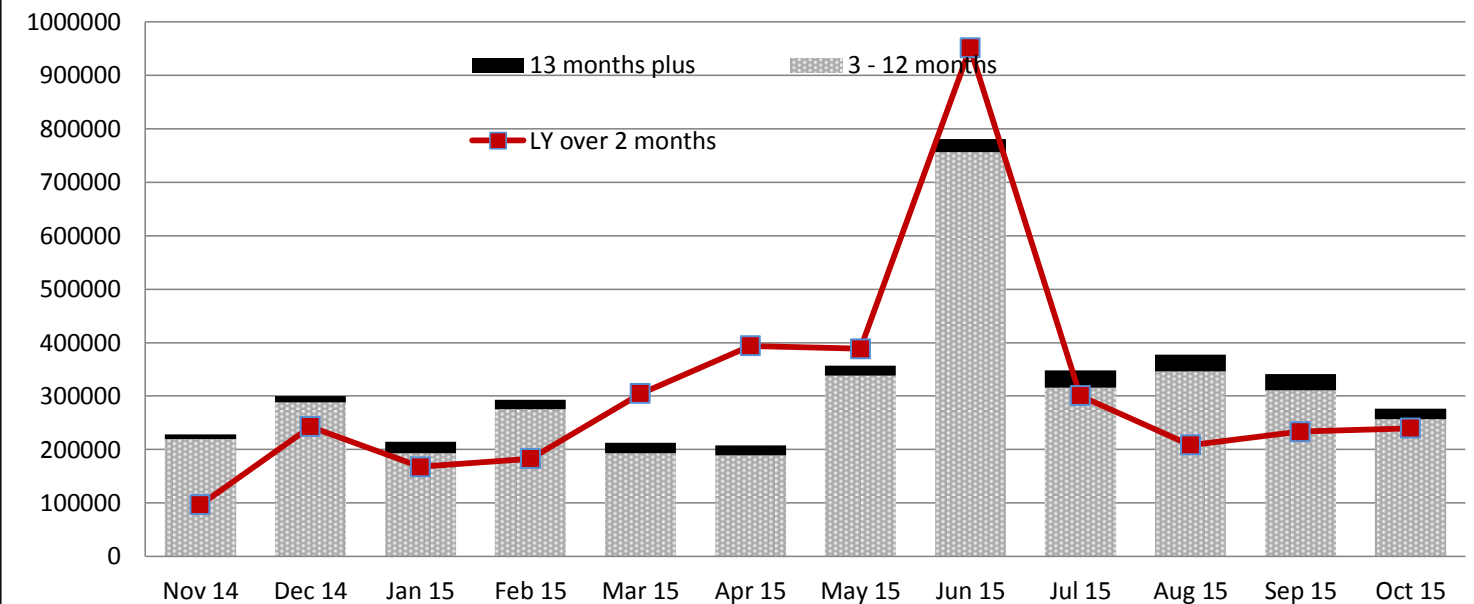
The LGA has a KPI to have no debt over 12 months old. To achieve this £19.9k needs to be collected (1.3%); there is significant work taking place to achieve this KPI. The total debt for LGA currently stands at £1.50m. The average debtors days is 39 days. The graph below shows current values for our Council Members and other organisations.

Over 2 months debt



There are no new suppliers over £100k.

Outstanding debt over 2 months - comparison to last year



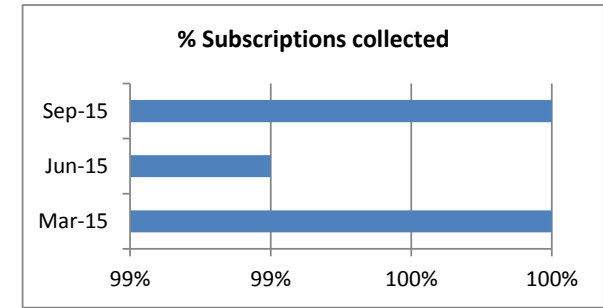


# LGA Corporate Health Indicators

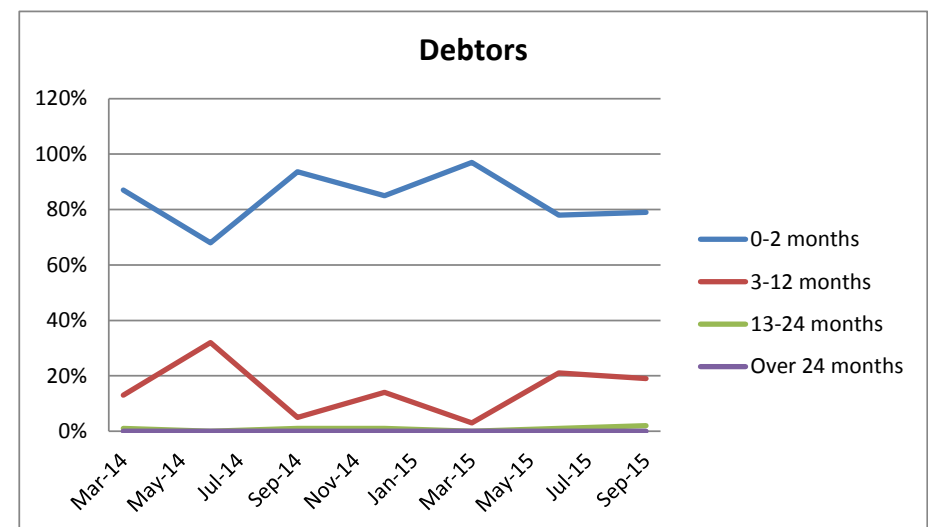
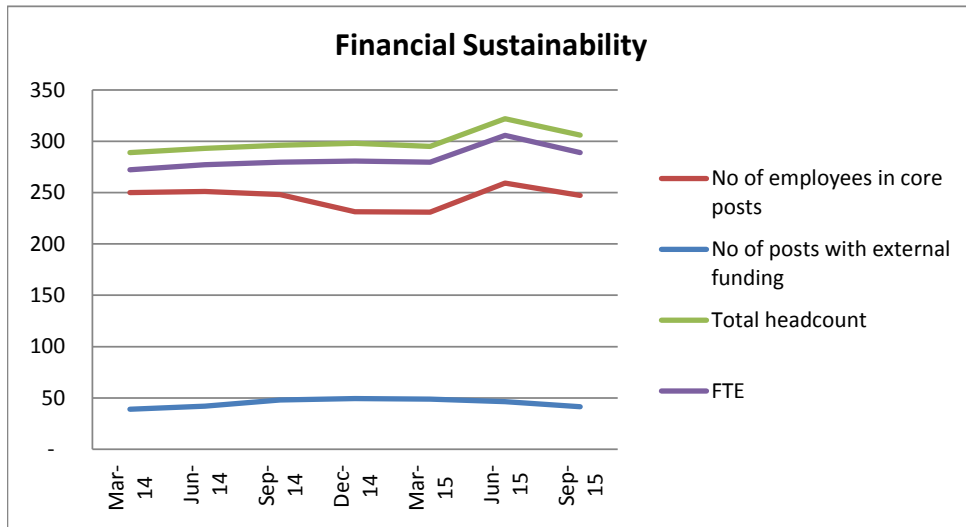
## Membership

	Mar-15	Jun-15	Sep-15
Total membership	415	414	414
No of councils out of membership	2	3	3
No of councils on notice to withdraw	12	9	9

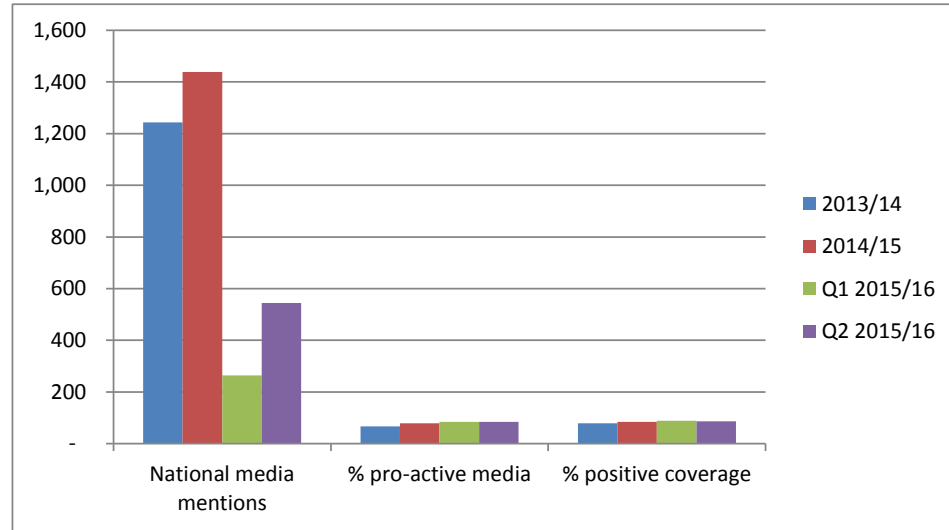
Our reputation	Nov-13	Mar-15	Target 15/16
Member authority satisfaction	70%	75%	>75%
Member authority informed	77%	79%	>79%
Member authority advocacy rating	77%	82%	>82%
Value for money	53%	53%	>53%



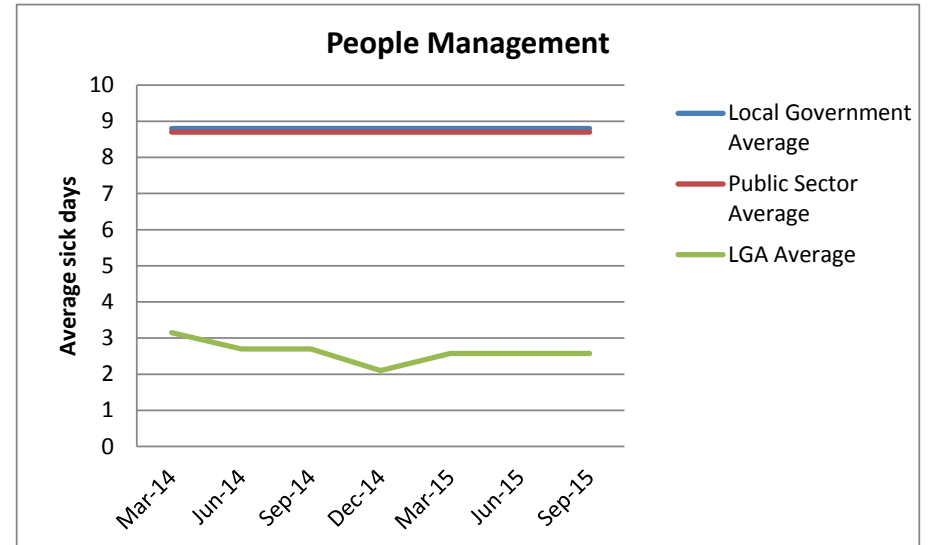
## Financial Sustainability Debtors



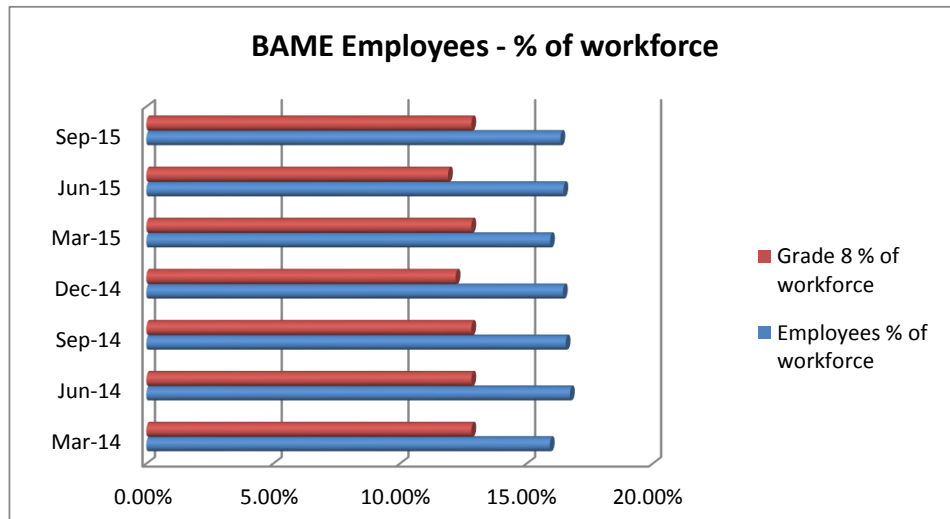
## Media Coverage



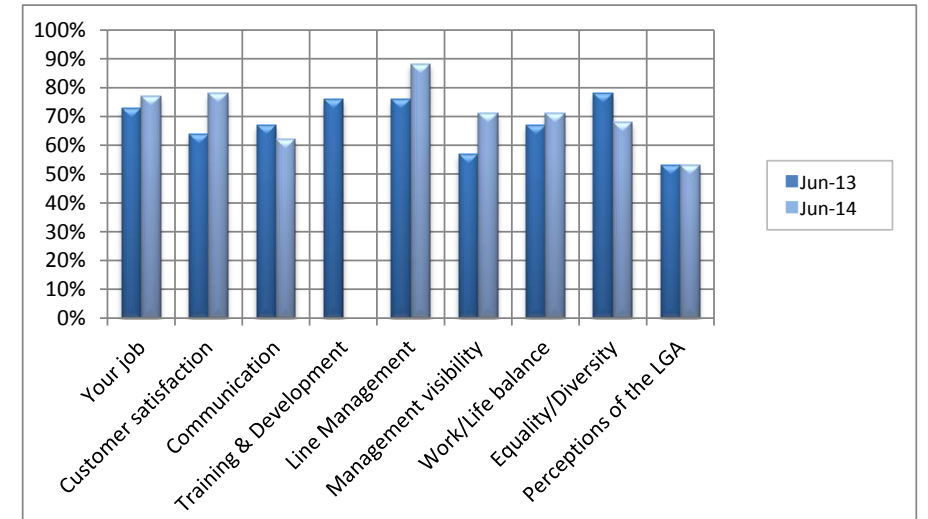
## People Management



















## Workforce profile



## Employee opinion survey - June 2014



## Major Projects Overview

Project	Overall Status	Milestones	Budget	Risks	Headline
Layden House refurbishment					City of London acting as LGA client, with professional team appointed in April 2015. Planning pre-app meeting positive. Stage 1 designs complete and include options for sixth floor extension and Turks Head Yard extension to rear of building, both subject to business case. Project is on track, with vacant possession from 1 April 2016 and works scheduled to start that month. Legal action currently underway to remove telecom masts from roof may present risk to sixth floor extension and timetable.
Local Government House Refurbishment					Layden House team also appointed to LG House. Stage 1 designs complete and include menu of options covering (a) straight refurbishment (b) improvements to basement, (c) additional mezzanine floor, (d) seventh floor extension, (e) air conditioning. Each element will be subject to business case. Initial overall cost estimates are high - awaiting breakdown. Subject to final decision on scope of work and budget, project on track and due to begin in August 2016. Challenge of continuing to occupy the building during major refurbishment works will present a risk to LGA operation and governance. Tenants, SIGs and other users of the building being kept informed.
Transfer of back office services from Liberata					New organisation in place from 1 October 2015. Whilst the transfer went smoothly, and has exceeded target savings, the new organisation is still bedding down, with some teams under pressure. We will monitor staff and workload carefully to ensure that the new design of the new organisation is able to support the organisation's demands. Outsourcing of print contract is behind schedule but now being managed by LB Harrow, who are also renegotiating our facilities management contracts.
New ICT Contract					Transfer of ICT contract to LB Brent took place on schedule on 1 November. 100% staff attended training on new equipment by 5 November 2015. New WiFi links in LGHouse in place, transfer of servers and mailboxes complete. Agresso will be parallel-run for one month to iron out potential issues prior to handover with Liberata support services extended across that period. Some residual issues with mobile devices being addressed. ICT Strategy Group reconvened to oversee next phase of development.

- RED** Project will miss milestones or targets, or deliverables will be compromised. Replan or descope required
- AMBER** There is a chance that project will miss targets, deadlines or deliverables will be compromised unless specific action taken
- GREEN** Everything under control
- BLACK** N/A

## LGA Strategic Risk Register – Summary Updated 18 May 2015

Ref	Type	Description of risk	13/14	14/15				Move- ment	Review Date
			Q4 score	Q1 score	Q2 score	Q3 Score	Q4 Score		
<b>EXTERNAL</b>									
S1	<b>Impact/delivery</b>	The LGA is not effective in achieving its vision for local government.	4	4	4	4	4	↕	Sept 2015
<b>INTERNAL</b>									
S2	<b>Full membership</b>	LGA membership reduces - the LGA loses legitimacy	12	12	12	12	12	↕	Oct 2015
S3	<b>Effective governance</b>	The LGA does not represent the interests of its members.	N/A	12	12	12	12	↕	Sept 2015
S4	<b>Persuasive communications</b>	Councils do not have a strong national voice	N/A	9	9	9	9	↕	Jan 2016
S5	<b>Financial Sustainability</b>	The LGA is not financially viable	12	12	20	20	20	↕	Sept 2015
S6	<b>Effective business mangement</b>	Our back office services are inefficient	20	20	20	20	12	↓	Nov 2015
S7	<b>Effective people management</b>	We do not engage or develop our employees	3	3	3	3	3	↕	Apr 2016
S8	<b>Accessible information</b>	We do not share information effectively externally and internally	N/A	9	9	9	9	↕	Jan 2016





**IDeA Company Board**  
10 December 2015

## **IDeA Banking Services Contract**

### **Purpose**

For approval.

### **Summary**

The report below sets out the new bank mandate form following the recent appointment of a new Chief Executive and Deputy Executive.

A key requirement for the changes is the completion of a mandate for each separate business entity. The Board are asked to approve the resolution below.

### **Recommendation**

The IDeA Company Board are asked to approve the new signatories for the bank mandate.

### **Action**

Officers to take any actions as directed by Members.

**Contact officer:** Paul Brack  
**Position:** Strategic Finance Manager  
**Phone no:** 0207 187 7309  
**E-mail:** [paul.brack@local.gov.uk](mailto:paul.brack@local.gov.uk)

## **IDeA Banking Services Contract**

### **Bank Resolution**

1. It is hereby resolved the members considered the Barclays Customer Agreement and any other documents which the Bank has provided and resolved that:
  - 1.1 Acceptance to the Bank by completing the Bank's form of Mandate;
  - 1.2 the IDeA authorise any individual named in Section 2 (an 'authorised person') either individually or, if relevant with other authorised person(s) in accordance with Section 3 to:
    - 1.2.1 enter into any transactions or agreements with the Bank whatsoever, subject to the Bank's right to request separate evidence of due authorisation in respect of any specific transactions or agreements as determined by the Bank; and determined by the Bank; and
    - 1.2.2 give instructions concerning the operation of the IDeA's bank accounts and otherwise communicate with the Bank in each case in writing or verbally, in accordance with the Barclays Customer Agreement.
2. The Directors noted that if the IDeA has registered for the Bank's online and telephone banking services, any of the authorised person(s) acting in accordance with the current approval processes for the services would be responsible for amending the IDeA's 'customer profile' which (among other things) determines:
  - 2.1 the accounts that can be accessed by computer or telephone;
  - 2.2 security procedures and the number of individuals required to approve each instruction issued to the Bank (approval processes);
  - 2.3 the individuals ('Users') allowed to use the service for making payments and other purposes (within any specified limits).
3. The Directors also noted that the Bank is entitled to act on all instructions given by a User in accordance with the correct security procedures until the IDeA notifies the appropriate online or telephone banking service that the User is no longer authorised to act for it.
4. These resolutions and the mandate instructions to remain in force until you are advised in writing to the contrary (which includes any revocation of this mandate) when signed by any one Director together with either the Company Secretary or another Director.

### **Recommendation**

5. The Board are asked to approve the resolution related to the new mandate for Barclays Bank.



**Authorised Persons**

<b>Name</b>	<b>Position</b>	<b>Category</b>
Mark Lloyd	Chief Executive	<b>A</b>
Sarah Pickup	Deputy Chief Executive	<b>A</b>
Claire Holloway	Head of Corporate Services	<b>A</b>
Paul Brack	Strategic Finance Manager	<b>A</b>
Tracey Blackman	Lead Accountant	<b>B</b>
David Greenfield	Lead Accountant	<b>B</b>
Sharon Vincent	Lead Accountant	<b>B</b>

**Instruction**

To apply to account:

- Sort code - 200000
- IDeA – 83637492

Where banking transactions require a physical signature they should be supplied as follows:

<b>Banking Transaction</b>	<b>Required signatures</b>
Changes to Authorised persons – changes to Schedule of Signatories and Signing Rules for the accounts above.	Any 2 from Category A
Business transactions up to £5,000.	Any one from Category A or B
Business transactions over £5,000.	Any two from Category A or one from A and B above

**Authorised by:**

<b>Name</b>	<b>Role</b>	<b>Signature</b>
	<b>Director</b>	
	<b>Secretary</b>	

Date:



## Note of last IDeA Company Board meeting

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<b>Title:</b>	IDeA Company Board
<b>Date:</b>	Wednesday 10 June 2015
<b>Venue:</b>	Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

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### Attendance

An attendance list is attached as **Appendix A** to this note

Item	Decisions and actions	Action
<b>1</b>	<b>IDeA Financial Statements for the Year to 31 March 2015</b>  The Executive Director introduced the report, which presented the IDeA's audited accounts for 2014/15. It was noted that the Audit Committee had recommended the accounts for adoption following their meeting on 2 June 2015.  One member highlighted that the pension fund deficit had doubled, and no action had been taken with Layden House to address the shortfall. The external auditor commented that for the purposes of the financial statements, the going concern guidance was that liabilities could be met for one year from the period of signing the financial statements. Forecasts for the forthcoming 12 months had been analysed and liabilities could be met. Longer term measures to manage the deficit had also been considered, and there was sufficient information to satisfy concerns.  Currently interest rates were low, but were projected to return to a higher level and reduce the deficit. The valuation of Layden House would help meet the projected deficit, and also would rise in valuation as an asset as it would have nearby access to Crossrail. Further conversations with Camden on the implications of transferring Layden House to IDeA would need to take place, and legal advice was being sought on the nature of the transfer.  The Chief Executive highlighted that paragraph 4.5 of the external auditor's report considered 'going concern', and that the external auditor and the senior management team were satisfied that current mitigation was in place. Current projections were that RSG would not reduce in 2015/16, and present assumption was that for 16/17 the reduction would be in line with the reduction faced by councils. As the LGA had restructured this year, and also had reduced overheads, there was flexibility to mitigate any reduction in line with that seen by councils.  The Board requested that existing briefing notes on the status of Layden House should be updated and circulated so that members were fully briefed.	

**Decision:**

- The Board **agreed** that statutory audited accounts for the IDeA for the year to March 2015.

**Action:**

- That existing briefing notes on the status of Layden House be updated and circulated to the Board for information.

**2 Full Year Performance Report 2014-15**

The Executive Director introduced the report, which presented performance for the 4<sup>th</sup> quarter of 2014/15.

The Head of Improvement highlighted that the performance report was for the whole LGA, and that it had been a very successful year. The second highest number of peer challenges had been delivered, the National Graduate Development Programme continued to increase, and political leadership programmes had been re-launched with approximately 600 councillors having attended. New programmes were coming forward for 2015/16 and further updates on these would be provided in due course.

**Decision:**

- The Board **noted** the performance report for 2014/15.

**3 IDeA Banking Arrangements - Automated Treasury Management Processes**

The Head of Finance and Accounting introduced the report which set out the background to the necessary resolution required to allow Barclays to automate the transfer of balances into a single Treasury Management account to enable pooled funds to be invested more efficiently.

Members noted that the LGA had changed supplier to Barclays from March 2015. The new automated process would sweep balances in one go, which would in effect automate what was currently done manually.

**Decision:**

- The Board **approved** the new cash management process with Barclays Bank.

**4 RSG Memorandum of Understanding**

The Head of Improvement introduced the report which updated the Board on the progress with a Memorandum of Understanding (MoU) between DCLG and the LGA / IDeA on the RSG allocation for 2015/16.

Members noted that the RSG grant has been confirmed as part of the

Local Government Finance settlement. The MoU was much more detailed than in previous years, and was clearer on what the RSG could and could not be used for. Reporting requirements were set out which would formalise the current reporting arrangements, and work was already underway to ensure full compliance. Additional resources had been set out for councils in need of particular assistance or in special measures, such as support for the new intake of councillors at Rotherham Metropolitan Borough Council.

In response to a question, it was confirmed that the MoU would be subject to review in September 2015.

Discussions with Ministers on future grant had already started to take place and were positive so far.

**Decision:**

- The Board **noted** the latest draft of the MoU and delegated to the Chief Executive, in consultation with the Chair of the IDeA Board, authority to approve the final version.
- The Board **noted** that the main change in the business case that was submitted in 2014 was for additional activity to be carried out on digital issues, support to councils in or at risk of intervention.

**5 Notes of Previous IDeA Company Board Meeting**

The notes of the previous meeting were **agreed** as a correct record of the meeting on 4 March 2015.

**Appendix A -Attendance**

Position/Role	Company Director	Authority / Organisation
Chairman	Cllr Peter Fleming	Sevenoaks District Council
Members	Cllr David Sparks OBE	Dudley Metropolitan Borough Council
	Cllr Jim McMahon OBE	Oldham Metropolitan Borough Council
	Cllr Gary Porter	South Holland District Council
	Cllr Gerald Vernon-Jackson	Portsmouth City Council
	Mr Richard Priestman	Local Government Improvement and Development
	Mr Philip Sellwood	Energy Saving Trust (EST)
Apologies	Cllr Marianne Overton MBE	Lincolnshire County Council

In Attendance

LGA Officers

Carolyn Downs  
Stephen Hughes  
Dennis Skinner  
Paul Brack  
Paul Goodchild

Alastair Duke (Partner)  
PKF Littlejohn (external auditor)





# 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)

