

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

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
G	Work programme delivered or on track to be delivered	38
A	Work programme at risk of not being delivered	3
R	Work programme will not be delivered	0
		41

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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:

Business Plan Outcome	Commentary
<p>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 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. AMBER</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>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 costs through a coherent, affordable programme of ICT development which aligns with our overall activities. AMBER</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>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 LGA top-slice AMBER</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>

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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.

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- 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?
Business Plan outcome				
Funding for local government: 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.				
Future spending reviews deliver fair, timely and flexible local government finance settlements, in particular for social care, children's services and waste. 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.	Alan Finch	<ul style="list-style-type: none"> 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 Financial elements of rewiring discussed by Finance Panel task and finish group and Executive. 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 Barnett - initial press release secured wide coverage; research on alternative funding formulas being commissioned 	Green	
There is a debate on options for independent local taxation including de-regulated council tax and fully localised business rates. 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.	Alan Finch	<ul style="list-style-type: none"> Council Tax banding paper produced Debate on council tax reform included in rewiring proposals NAO study complete and report published 13 Dec Briefings, meetings with Lords on Referenda; similar planned for HoC after recess Analysis of first year localised council tax benefit on track to be launched in Jan 14 	Green	
There is sustainable funding for adult social care. 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.	Alan Finch	<ul style="list-style-type: none"> research undertaken on NHS funding development formula assisting with modelling survey Provided calculations on the possible cost impact of the universal deferred payment scheme on English local authorities 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. 	Green	
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. 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.	Alan Finch	<ul style="list-style-type: none"> New Homes Bonus: Lobbied against the £400m topslice. Local Government has now got £330m back Business Rates retention - analysis has been undertaken of scheme in operation - to be published in Jan 	Green	
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, coping with uncertainty and taking big difficult decisions on spending.	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>Councils have devolved powers and are able to develop new and innovative ways to encourage investment and create jobs. 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>	Paul Raynes	<ul style="list-style-type: none"> 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 Executive Board approved a move to phase 2 on 21st November 	Green
<p>Councils have the opportunity to generate new income streams and new approaches to commissioning. 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>	Alan Finch	<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>	Green
<p>Public Service Reform: 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>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. 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>	Paul Raynes	<ul style="list-style-type: none"> Community Budgets endorsed in spending round with new organisational and financial support for councils undertaking transformation work The Locality/LGA bid to run the Our Place support contract was successful 	Green
<p>Adult social care is reformed so that the individual's experience of care and support is improved. 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>	Sally Burlington	<ul style="list-style-type: none"> 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 Financial modelling underway (led by ADASS) and a new focused sub-group examining the costs of the reforms to local authorities Joint Programme Office established (with significant LGA and ADASS resource) Implementation support vision developed and additional implementation funding identified for councils and regional infrastructures 	Green
<p>Children's services meet the needs of children and young people and their families based on local needs and priorities. 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>	Helen Johnston	<ul style="list-style-type: none"> 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 Child sexual exploitation - 2 events delivered; and LGA referenced in OCC Inquiry report as leading on national CSE strategy Residential children's homes - action learning research learning shared; responses submitted to consultations and Cllr Light oral evidence at Select Ctee Discussion paper produced on extended family support Education - scrutiny report launched at NCAS; successful SEN conference held on 10th Dec 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 	Green
<p>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. 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>	Paul Raynes	<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"> The government's Local Support Services Framework incorporates a number of LGA lobbying asks Successful welfare reform conference held in Dec 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 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 	Green

<p>Councils work effectively with Police and Crime Commissioners and other partners to deliver safe communities. 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>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. 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>	<p>• 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</p> <p>• Community safety improvement: projects delivered to plan; future community safety improvement strategy paper discussed by Board lead members in Dec</p>	<p>Green</p>
<p>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. 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>Helen Murray</p>	<p>• 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.</p> <p>• New Scrap Metal Dealers Act - advice given to councils on implementation; given presentations at licensing events across the country</p> <p>• Victims Services - Contributed to a Home Office and APCC event on the commissioning of services for victims of domestic abuse and sexual violence</p> <p>• 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 & police</p> <p>• Antisocial behaviour, crime & 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</p>	<p>Green</p>
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<p>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 develop practical advice for their workforce challenges.</p>	<p>Sarah Messenger</p>	<p>• 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.</p> <p>• 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%.</p> <p>• 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.</p> <p>• 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.</p> <p>• Our employment legal advisors and Pensions Team continue to provide a telephone/web based advice service to councils which is always in demand.</p> <p>• We have also delivered a national conference on social enterprises and several pensions advice workshops in this period.</p> <p>• 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</p> <p>• We have published guidance for payrolls and HR managers for LGPS 2014</p> <p>• We have implemented a wide ranging LGPS scheme member communications plan</p> <p>• We have successfully supported councils and schools in implementing automatic enrolment legislation</p> <p>• We reached agreement with DoH and health unions on the pension rights of transferring public health staff</p> <p>• We have worked in collaboration with other national and international social partners to influence EU pensions policy</p> <p>• 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 IGA</p>	<p>Green</p>

<p>Councils have a key role to play in driving economic growth, new jobs and wealth creation - 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"> • LEPs - worked with LEP network on events for councillors • 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 • High Streets - town centre manager survey conducted and media work undertaken to share findings • Research being commissioned on fragmentation of growth funding and the cost of competing for funding • Local Gov'ts role in promoting trade and investment opportunities - Chairman hosted a roundtable with Commonwealth LG Forum executive in November • Culture and growth - case studies have been developed and will form part of a publication on good design and growth in Feb • Libraries - Lead members have written to the Culture Secretary to press for LGA representation on the panel conducting the independent libraries review 	<p style="text-align: center;">Green</p>
<p>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 - 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"> • Transport - streetworks meetings with utilities and business will result in joint statement about 'what good looks like'; rewiring roads campaign being drawn up • 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 • EU lobbying: Brussels - 2014 priorities set and lobbying ongoing; Congress UK peer review position established and 2 review visits facilitated 	<p style="text-align: center;">Green</p>
<p>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</p>	<p>Paul Raynes</p>	<ul style="list-style-type: none"> • Unimplemented planning permissions - research complete; QA and finalising report • Fracking: Draft policy position agreed by the Board 	<p style="text-align: center;">Green</p>
<p>Councils drive the increase in the housing supply that the nation needs - 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"> • Survey of self-financing LAs has provided updated evidence on issues such as rent arrears and the potential for house-building • Submitted evidence to lobby for changes to the Right to Buy as part of the Deregulation Bill consultation • 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. 	<p style="text-align: center;">Green</p>
<p>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 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"> • LGA paper delivered by members to 6/11 EU funds Programme Board; Chairman wrote article First 14/12 • EU funds/local & central gov't - LGA members led debate at ESIF Growth Board 6/1; 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 • 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. • Council role in international trade - Joint LGA/UKTI awareness raising report drafted; Member survey completed 	<p style="text-align: center;">Green</p>

<p>Councils promote economic growth through their capital and assets - 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>	<p>• 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 'unblock' 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.</p> <p>• 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).</p> <p>• 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.</p>	<p>Green</p>	
<p>Councils support green growth by taking action on energy efficiency and reducing the costs of energy - 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>	<p>• 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</p> <p>• 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</p> <p>• 80 councils signed up to climate local, Roadshows attracted over 160 delegates</p>	<p>Green</p>	
<p>Councils drive tourism and the visitor economy - 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>	<p>• Launched visitor economy publication setting out key policy proposals and 15 new case studies on how councils are driving growth through the visitor economy</p> <p>• Support portfolio holders to unlock growth through the visitor economy.</p> <p>• 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</p>	<p>Green</p>	
<p>Councils build business confidence by reducing unnecessary red tape and regulatory burdens at the local level, as well as by fighting crime - 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 & launched at LGA annual conference.</p> <p>Local licensing fees - Counsel advice received at half expected cost; finalising guidance</p> <p>Elected member support - Online training module launched. Regional licensing events for elected members held.</p>	<p>Green</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>	<p>• LGA submitted evidence to CLG Select Committee on Knight Review; Legal advice commissioned on LGA's role on national operational guidance</p>	<p>Green</p>	
<p>Sector-led support, improvement and innovation: We will support councils with improving performance, effectiveness and efficiency</p>				
<p>A tailored corporate peer challenge 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>Green</p>	

<p>Leadership and managerial development programmes, 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>Green</p>
<p>Support to help councils with capturing and sharing innovative practice</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>Green</p>
<p>LG Inform - 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>Green</p>
<p>Sector-led improvement programmes 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>Green</p>
<p>Direct Support 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>Green</p>
<p>Culture, tourism and sport - 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>Green</p>

<p>Adult social care and health - we will pursue sector-led improvement programmes in adult social care and health</p>	<p>Sally Burlington / Andy Hughes</p>	<p>• 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.</p> <p>• ASC leadership support - regional networks met; induction event for lead members held July</p> <p>• Adult safeguarding - 3 peer challenges held; 54 councils signed up to 'making safeguarding personal' project</p> <p>• <u>Winterbourne View</u> - team appointed; stocktake completed, analysed and results made available; comms and engagement strategies agreed & operational; sharing event for concordat signatories held; review guidance issued</p> <p>• <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</p> <p>• <u>Health & Wellbeing</u> - Caroline Tapster appointed as Director; national & regional governance mechanisms established & working; programme prospectus issued; comms strategy operational; Peer challenge revised; 5 pilots deliver and a further 12 planned; joint work with Healthwatch on commissioning progressing well; programme options for 14/15 under consideration</p>	<p style="text-align: center;">Green</p>
<p>Planning services - 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;">Green</p>

<p>Practical support to councils continue to develop new and innovative ways to improve efficiency and productivity 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>Green</p>
<p>Our own efficiency and effectiveness</p>			
<p>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 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>Amber</p>

<p>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</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. MEDIA EVALUATION SUMMARY Oct - Dec 2013</p> <ul style="list-style-type: none"> National media mentions up 101 per cent year-on-year from 127 in the same period for 2012 to 256 in 2013. 75 per cent of coverage was through pro-active media work. 71 per cent of our national coverage was positive. Our media work before and after the Autumn Statement and Local Government Finance Settlement received 50 media mentions. More than one million website page views by more than 180,000 unique users. 204 mentions of the LGA in Parliament from October to December. 	<p style="text-align: center;">Green</p>
<p>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 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 style="text-align: center;">Amber</p>
<p>Efficient business management - 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 style="text-align: center;">Green</p>
<p>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</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&C team .</p>	<p style="text-align: center;">Green</p>
<p>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 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 style="text-align: center;">Amber</p>

Green

Amber

Red



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		
INCOME:								
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
Total Core Income	(30,847)	(32,415)	(1,567)	(41,826)	(42,262)	(436)		

As at Period 8 November 13									
Description	Year to date		Variance YTD	Full year			Budget to Outturn Variance	Commentary	RAG Status
	Budget YTD	Actuals YTD		Budget Year	Forecast Outturn	Budget to Outturn Variance			
	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s			
EXPENDITURE:									
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	
Total Core Expenditure	27,249	26,392	(857)	42,846	41,702	(1,144)			
NET CORE POSITION (Surplus) Deficit	(3,598)	(6,022)	(2,424)	1,020	(560)	(1,580)			

As at Period 8 November 13									
Description	Year to date		Full year			Budget to Outturn Variance 2013/14 £000s	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			Commentary	
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		
Net Ring Fenced Position	(598)	(424)	174	(682)	(728)	(46)			
NET LGA POSITION Pre Reserves (Surplus) Deficit	(4,196)	(6,446)	(2,250)	338	(1,288)	(1,626)			
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	
NET LGA POSITION (Surplus) Deficit	(4,196)	(6,446)	(2,250)	-	(1,478)	(1,478)			

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%
Total	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		March 2012	March 2013	June 2013	Sept 2013	Dec 2013	Target 2013/14
Average annual sick days per employee (Public sector average 9.6 days; local government average 10.3 days)		4.5	3.2	3.6	4.5	TBC	Maintain or improve
Workforce profile		March 2012	March 2013	June 2013	Sept 2013	Dec 2013	Target 2013/14
BAME employees % of the workforce		15.7%	17.0%	15.3%	15.2%	TBC	Increase % of BAME employees grade 8+ in line with overall representation in the workforce
BAME - proportion of employees Grade 8 and above		10.3%	15.6%	10%	12.8%		
Employee opinion survey - % of employees positive		March 2012	March 2013	June 2013	Sept 2013	Dec 2013	Target 2013/14
Your Job			65%	73%			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		
EXTERNAL											
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
INTERNAL											
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>Impact/delivery</p> <p>The LGA is not effective in achieving its vision for local government:</p> <ul style="list-style-type: none"> - Funding for local government - Economic growth, jobs and prosperity - Public service reform - Support for sector-led improvement 	<p>Cause</p> <ul style="list-style-type: none"> - Lack of focus and prioritisation - Not active on the big issues - Failure to deliver lobbying objectives - Support to councils is not valued <p>Effect</p> <ul style="list-style-type: none"> - Loss of membership – see below - Lack of credibility with government - RSG and other funding not renewed 	<p>4</p> <p>5</p>	<ul style="list-style-type: none"> - Clear priorities agreed with members through the business planning process - Comprehensive governance arrangements in place to ensure clear cross-party support for the LGA's lobbying objectives - Public Affairs function to monitor political change - Boards to drive the delivery of the LGA's top priorities - Rewiring Local Government work used as basis for LGA priorities and campaigns launched July 2013 <p>Sources of assurance – quarterly performance reporting; regular reports to Executive, Leadership Board and LGA Boards</p> <p>KPI – Customer survey data</p>	<p>4</p> <p>1</p>	<ul style="list-style-type: none"> - Programme of campaigns and policy and lobbying work in the second half of 2013-14, building on Rewiring Local Government 	Head of Finance and Policy – Mar 2013

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	Membership LGA membership reduces to the point where the LGA loses legitimacy as the voice for the sector	<p>Causes</p> <ul style="list-style-type: none"> - General financial pressures on councils - LGA not see to provide value for money <p>Effect</p> <ul style="list-style-type: none"> - LGA loses legitimacy as the voice for the sector - Local government becomes more fragmented in its engagement with government 	5	<ul style="list-style-type: none"> - Member benefits communicated to all councillors - Active engagement with councils on notice to withdraw membership - LGA achievements communicated regularly through the Chairman's bulletin, First etc - Regular meetings with regional bodies - Transparency of key data with publication of contracts, supplier payments, expenses - Customer Survey results used to drive changes that will be valued by member councils - Senior members, SMT and Principal Advisers maintain relationships with councils <p>Source of assurance – ongoing monitoring and publishing of membership changes</p> <p>KPI – Total membership and members on notice to withdraw</p>	4	<ul style="list-style-type: none"> - Work to address the concerns of the core cities - Improve the LGA's collection of customer contact information –as part of ICT strategy - 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 	<p>Head of Corporate Governance/ Political Group Offices – Jan 2014</p> <p>Executive Director – Mar 2014</p> <p>Head of Finance and Business Management – Mar 2014</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>Financial sustainability</p> <p>The LGA is not financially viable.</p>	<p>Causes</p> <ul style="list-style-type: none"> - Membership withdrawal - RSG funding reduction - Loss of government grants and contracts - Pension liabilities not fully funded - Overheads do not reduce in line with reductions in income – see below - Pension liabilities crystallise as employee numbers reduce in the individual companies <p>Effects</p> <ul style="list-style-type: none"> - Significant reduction in size – not able to provide core services - Significantly increased pension costs in future years - Going concern issues 	5	<ul style="list-style-type: none"> - Effective budget planning and management - Financial strategy regularly reviewed by Resources Panel and Leadership Board - Strategy for reducing the Pensions deficit agreed by Resources Panel <p>Source of assurance – monthly management accounts</p> <p>KPI – Total headcount</p> <p>KPI – Debtors</p>	5	3	<ul style="list-style-type: none"> - Work to secure RSG topslice from 2015/16 – ongoing discussions with CLG - Review of property strategy, in particular future of Layden House - Confirm strategy for pension deficit reduction - External review of options for commercial opportunities for the LGA 	<p>Hd of Leadership and Productivity/ – Jan 2014</p> <p>Chief Exec/ Head of Finance – Mar 2014</p> <p>Chief Exec/Head of Finance – Mar 2014</p> <p>Chief Exec/Head of Finance – Mar 2014</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	Shared services contract 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>Causes</p> <ul style="list-style-type: none"> - Unforeseen event triggers contract failure. - Contract not fit-for-purpose. - Ineffective client side - Lack of service availability - Quality and performance of service delivery fails to meet client's standards - Contract re-negotiation does not achieve required reduction in overheads <p>Effects</p> <ul style="list-style-type: none"> - Business support requirements not met – we are not able to deliver our services effectively - Inability to make cost reductions. - Negative impact on reputation, particularly with membership - Inability to make changes - Customer dissatisfaction 	4	<ul style="list-style-type: none"> - Governance arrangements in place – Programme Board, Contract Management Board, Contract manager - Liberata performance against KPIs monitored - Client-side team review day-to-day performance on the contract - Annual customer surveys - Exit management plan in place should the contract terminate - Contract renegotiated from April 2013 - ICT client-side strengthened and ICT strategy developed <p>Source of assurance – monthly reporting and review of Liberata KPIs at Contract Management Board</p> <p>KPI – Liberata customer satisfaction survey</p>	4	<ul style="list-style-type: none"> - One-off contract changes to be implemented during 2013/14 - Demand reduction measures to be implemented in 2013/14 - Further review of contract requirements during 2013/14 with a view to achieving further cost reductions from 2014/15 	<p>Head of Finance – March 2014</p> <p>Head of Finance – review Jan 2014</p> <p>Head of Finance – Mar 2014</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	People Management We do not maintain employee capacity and capability as our core funding reduces	<p>Causes</p> <ul style="list-style-type: none"> - Low employee morale - Lack of clarity and focus - Reductions in employee numbers to achieve a balanced budget <p>Effects</p> <ul style="list-style-type: none"> - We do not retain key employees 	<p>4</p>	<ul style="list-style-type: none"> - Clear focus and prioritisation through the business planning process - Line management support - Strong focus on internal communications through the Portal, monthly employee briefings; annual employee conference; Knowledge bites - Appraisal scheme - Actions taken in the light of Employee Surveys and other feedback <p>Source of assurance – annual employee survey</p> <p>KPI – Employee engagement KPI – BME employees % of total workforce KPI – average sick days</p>	<p>3</p>	<ul style="list-style-type: none"> - Employee development programmes continue 	Head of HR - ongoing

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

IMPROVEMENT & DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT (IDea) - MANAGEMENT PACK: COMPANY

As at Period 9
31 December 2013

APPENDIX E

Commentary

Description	Year to date		Budget YTD to Period 9 to £	Actuals YTD to Period 9 to £	Variance YTD to Period 9 to £	Full year		Budget to Outturn Variance 2013/14 to £	Over/Under Spend	Commentary
	Budget YTD to Period 9 to £	Actuals YTD to Period 9 to £				Budget Year 2013/14 to £	Forecast Outturn 2013/14 to £			
INCOME:										
RSG Income	(15,069,840)	(15,045,765)	24,075			(20,689,295)	(20,689,295)	0	On Target	The YTD variance is due to timing of payment.
Workforce, Leadership & Productivity	(1,092,117)	(1,137,985)	(45,868)			(1,442,828)	(1,589,828)	(147,000)	Under Spend	The projected variance is mainly due to additional funding from LG Inform Plus - £100k, Chargeable Peer Reviews - £80k, Research & Information - £65k, Productivity - £20k and Workforce Policy - £35k. This is offset by a lower than budgeted income for Workforce Consultancy - £120k and Leadership & Localism - £33k.
Ring Fenced Progs Income: Finance & Policy	(7,223,385)	(6,287,276)	936,109			(10,695,144)	(9,192,907)	1,502,237	Over Spend	The variance has arisen because the grants for One Public Estate and Childrens Workforce have not materialised.
Ring Fenced Progs Income: Workforce, Leadership & Productivity	(2,001,146)	(935,670)	1,065,476			(2,776,292)	(2,876,292)	(100,000)	Under Spend	The projected variance is due to additional income from training events from pensions.
Communications	(75,000)	0	75,000			(100,000)	(100,000)	0	On Target	
Shared Services	(13,500)	(15,750)	(2,250)			(27,000)	(27,000)	0	On Target	Interest on loan from IDea to LGMB.
Other Income	(722,967)	(891,239)	(168,272)			(1,363,960)	(1,513,960)	(150,000)	Under Spend	The projected variance is due to Geoplace creating a higher dividend than anticipated.
Third Party/Seconded Payroll Recharges	0	(285,136)	(285,136)			0	0	0	On Target	The invoices for secondees will be raised towards year-end.
Total Income	(26,197,955)	(24,598,821)	1,599,134			(37,094,519)	(35,989,282)	1,105,237	Over Spend	
EXPENDITURE:										
Strategic Management Team	0	0	0			0	0	0	On Target	Staff costs - to be recharged to LGA.
Member Services	56,007	45,202	(10,805)			74,685	74,685	0	On Target	Staff costs - to be recharged to LGA.
Executive Business	77,301	75,522	(1,779)			103,073	103,073	0	On Target	Staff costs - to be recharged to LGA.
Political Group Offices	0	18,158	18,158			0	0	0	On Target	Staff costs - to be recharged to LGA.
	133,308	138,882	5,574			177,758	177,758	0		
Finance & Policy Programmes	2,224,809	1,406,911	(817,898)			2,966,409	2,966,409	0	On Target	A proportion of staff costs to be recharged to the LGA.
Ring Fenced Progs Exp: Finance & Policy	7,436,075	5,327,295	(2,108,780)			10,695,144	9,192,907	(1,502,237)	Under Spend	The variance has arisen because the grants for One Public Estate and Childrens Workforce have not materialised.
Total Finance & Policy	9,660,884	6,734,205	(2,926,679)			13,661,553	12,562,231	(1,099,322)		
Workforce, Leadership & Productivity	6,621,480	6,149,764	(471,716)			9,390,765	9,331,765	(59,000)	Under Spend	The projected under spend is mainly due to Leadership & Localism pilot programmes not being run - £11.4k, Negotiations have a lower than expected costs - £150k, LG Inform Plus - £35k, Local Government Development - £20k and Workforce Consultancy - £20k. This is offset by higher costs for Peer Challenge Chargeable - £110k and Peer Support - £170k
Ring Fenced Progs Exp: Workforce, Leadership & Productivity	1,601,468	1,122,636	(478,832)			2,804,632	2,904,632	100,000	Over Spend	The projected variance is due to additional training events from pensions.
Total Workforce, Leadership & Productivity	8,222,948	7,272,400	(950,548)			12,195,397	12,236,397	41,000		
Communications	961,089	430,814	(530,275)			1,281,468	1,281,468	0	On Target	A proportion to be recharged to the LGA.
Business Support	295,218	267,141	(28,077)			393,630	393,630	0	On Target	A proportion to be recharged to the LGA.
Shared Services	3,988,449	3,507,432	(481,017)			5,318,829	5,318,829	0	On Target	The YTD variance is due to invoice timing.
Corporate	2,289,582	1,841,105	(448,477)			3,665,100	2,945,100	(720,000)	Under Spend	The projected under spend is due to the agreed in-year savings of £720k from programme budgets.
Tenants	854,406	759,479	(94,927)			1,139,219	1,139,219	0	On Target	The YTD variance is due to utility bills not yet received.
Grant Overheads	(312,772)	(508,610)	(195,838)			(710,095)	(750,095)	(40,000)	Under Spend	Additional overhead contribution from Sector Led - Childrens Improvement Programme.
Third Party/Seconded Payroll Recharges	0	374,230	374,230			0	0	0	On Target	The invoices for secondees will be raised towards year-end.
Salary savings							(807,845)	(807,845)	Under Spend	This is due to in-year staff savings.
Transition Costs	0	229,481	229,481			0	402,915	402,915	Over Spend	This reflects the severance pay agreed.
Total Expenditure	26,093,112	21,046,560	(5,046,552)			37,122,859	34,899,607	(2,223,252)	Under Spend	
NET IDEA POSITION (Surplus) Deficit	(104,843)	(3,552,261)	(3,447,418)			28,340	(1,089,675)	(1,118,015)	Under Spend	