

## **Resources Panel – Report from Cllr Keith R Mitchell CBE (Chairman)**

### **LGA 2011-12 Budget**

1. The Resources Panel is due to have a further discussion on the LGA's budget for 2011-12 when it meets on 9 February. For the LGA, as for member authorities, this will be a particularly tough budget round. With an overall reduction in subscription income of some 13%, an even more severe cut in the income from top-sliced Revenue Support Grant for the wider LG Group and considerable pressure on other income sources, it is fair to say that the LGA faces reductions in 'spending power' that are larger than those in member authorities.
2. Work is continuing that will streamline and in time reduce the LG Group's overhead costs, and officers will update the Panel. However, some overheads, such as pension liabilities related to the past, will not be cleared for many years.
3. In the meantime, the Association is continuing to constrain spending and current activity is running at well below budgeted levels, to assist management of the transition to a lower cost organisation for the future.
4. The Panel will also be considering the Association's and the wider Group's Treasury Management Strategy, and in this task we have helpful input from the Group Audit & Scrutiny Panel which has recently reviewed this area in detail.

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