

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

LGA 2011-12 Budget

1. The Resources Panel discussed the LGA's budget for 2011-12 when it met on 9 February. At LG Group level, a preliminary budget has been developed to ensure that the proposed new organisational structure is sustainable, based on our funding streams, and taking into account pay and non-pay budgets. It is anticipated that a balanced budget for the LGA can be achieved. The Panel met again on 2 March and considered updated preliminary budgets for both the LG Group and the LGA which will be presented to the LG Group Executive and LGA Leadership Board for approval. The Panel will recommend that budgets across the Group are approved on a preliminary basis and finalised in May, once the outcome of the major changes in staffing across the LG Group is clear.
2. Work is currently in progress to discuss with senior managers across the Group what level of non-pay allocation will be required to deliver the proposed Business Plan. This work will need to close what is currently a significant gap between the proposals that managers have made, and the amount that is expected to be available. It will inform final decisions on the LG Group budget.
3. The Panel was very pleased to note the acceleration of the work being done to free space in Layden House. A report on the future of the building has been commissioned.
4. Options to reduce overheads related to pension liabilities have been explored by the Panel. Officers are to work further on the proposals, and make representations to CLG on legislative changes that could assist in this. In the meantime, the Panel has authorised a substantial payment to reduce the deficit in one of the pension schemes to which the LGA contributes.
5. The Panel has approved the Association's and the wider Group's Treasury Management Strategy, taking into account input from the Group Audit & Scrutiny Panel.

Contact Officer: Stephen Jones
Position: Group Finance Director
Telephone: 020 7664 3171
E-mail: Stephen.Jones@local.gov.uk