

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

1. The Resources Panel met on 1 June and reviewed the LGA's accounts for the year to 31 March 2011. The accounts will be presented to the LGA General Assembly later this month. They show a modest surplus on the ordinary activities of the Association, after making appropriate provision for the costs of restructuring involving reductions in the numbers of staff employed in the LGA.
2. The accounts also show a substantial one-off reduction in the LGA pension deficit, attributable to the change that has been announced under which public sector pensions will in future be index-linked by reference to the Consumer Prices Index rather than, as now, to the Retail Prices Index. Even after this change, though, a substantial pension deficit remains, and the financial strategy followed by the Resources Panel is to ensure that this deficit is cleared over the next ten to fifteen years.
3. The Panel had the benefit of the comments of the LG Group Audit & Scrutiny Panel on the accounts and, after due consideration, approved the accounts. All recommendations made by the auditors in the course of their audit work have been accepted, and the accounts have an unqualified audit opinion.
4. The Panel is also keeping under close review the arrangements that are being made to reduce overhead costs across the entire LG Group. Following the restructuring of the LG Group, all office based staff are now located in Local Government House. This clears the way for vacant space in Layden House to be let, and a range of options for this are being pursued. In addition, work is under way to pursue other reductions in the costs of back office services, now the Group has moved to a lower level of staffing.

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