

## **Resources Panel – Report from Cllr Stephen Castle (Chairman)**

1. At its first meeting of the new political cycle the Panel placed on record their thanks to previous members of the Panel, particularly the previous Chairman, Keith Mitchell CBE, for all their work during a challenging time for the LG Group. A priority for the Panel over the coming year will be to ensure the future financial sustainability of the Group.
2. The Panel reviewed the LG Group's approach to membership subscriptions for 2012-13. Major reforms to the structure of LGA subscriptions were put in place in April 2010 and consolidated in 2011/12. Panel members endorsed the previous Panel's recommendation that over the next two years further subscription reductions should be implemented, with an overall reduction of 6% in 2012/13.
3. The Panel considered the pension risk currently faced by the LG Group and how this is being managed. Members expressed concern at the fact that the LG Group's pension liabilities are spread across three different pension funds, and recommended that further work is done to explore whether it would be possible to consolidate all pension liabilities with a single fund.
4. The Panel considered the LG Group's Treasury Management policy and asked for a report on how the investment strategy might be widened to include longer term funds. They also asked for the potential for sharing treasury management activity with a member authority to be explored.
5. The Panel explored options for Layden House which has been fully let to external tenants from the autumn of 2011, following the move of all LG Group staff into Local Government House. Members also asked for a full review of the capacity of Local Government House to ensure it is being used efficiently.
6. The Panel reviewed the LG Group's financial performance for the first four months of the financial year to the end of August 2011. Action has been taken to reduce the cost base of the LG Group following a significant reduction in core funding from the start of the financial year.

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