

Resources Panel – report from Cllr Stephen Castle (Chairman)

1. At its last meeting on 23 November, the Panel agreed final recommendations on the levels of LGA membership subscriptions for 2012/13, which were accepted by the LGA Executive in December. Major reforms to the structure of LGA subscriptions were put in place in April 2010 and consolidated in 2011/12. Panel members have endorsed the previous Panel's recommendation that over the next two years further subscription reductions should be implemented, with a reduction of 6 per cent in 2012/13, to achieve an overall reduction between 2010/11 and 2013/14 of 20 per cent.
2. The Panel reviewed the LGA's medium term financial strategy and initial proposals for the 2012/13 budget. Further work will be undertaken on the LGA's strategy and priorities, prior to a final budget being presented to the next meeting of the Panel to enable members to make a recommendation on next year's budget to the Executive in advance of the new financial year.
3. The Panel received an update on work that is underway to reduce the LGA's overheads, following the significant reduction in its funding base in the current financial year.
4. The Panel reviewed the financial performance of the LGA and its associated organisations for the first six months of 2011/12. The Panel noted that budgets were underspent for the first half of the year and that this needed to be set in the context of quieter summer months and a cautious approach to spending the aftermath of the substantial reduction in core funding. The Panel suggested that management should take action to address this and also review the underspend after nine months to allocate funds in a more appropriate way if necessary.
5. The Panel explored options for the LGA's investment strategy and came to the conclusion that the LGA should continue to be cautious with this, particularly in view of the current economic climate.
6. The Panel agreed that from 2011/12 the LGA should prepare consolidated accounts for LGA and the bodies under its direct control, subject to a final review of the implications of the change being considered at the next meeting.

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