



2012/13 Performance Report

Second quarter: April – September 2012

Introduction

Background

1. The annual business plan for 2012/13 for the LGA was agreed by Executive in March 2012. We undertook to review the impact of our work and our delivery against the priorities in the business plan through robust performance management including regular reports to members on the LGA Leadership Board.
2. The following performance framework has been put in place to monitor delivery against the business plan:
 - 2.1. a progress report on achieving the outcomes in the business plan with information on the key milestones and deliverables for each area of work
 - 2.2. management accounts summarising the overall financial performance of the LGA and its associated companies
 - 2.3. a report on performance against the Corporate Health Indicators set out in the business plan, to enable us to review our own efficiency and effectiveness
 - 2.4. the LGA's strategic risk register, which is regularly reviewed and updated by the Strategic Management Team.
3. The performance information for the second quarter to the end of September 2012 is now presented in the detailed appendices to this report, and a summary of the key issues arising is set out below.

Delivery of the LGA's programmes

4. A summary of delivery against each of the outcomes in the 2012/13 business plan is included at **Appendix A**. This sets out, for each objective, what has been delivered with a commentary on progress to date. A standard traffic light rating has been applied as follows:

TL	Definition	Total
G	Outcome achieved or on track to be achieved	32
A	Outcome at risk of not being achieved	9
R	Outcome will not be achieved	1
		42

5. The performance report shows that we are on track to deliver 32 of the 42 outcomes identified in the business plan with 9 of the 42 at risk of not being achieved. In summary these are:

Business Plan Outcome	Commentary
A fair, clearer system for the future funding of adult social care	The White Paper may not achieve this outcome – we will continue to focus our lobbying activities in this area
National workforce agreements re seen as relevant and fit for purpose by councils	Work is still underway to engage local government trade unions in negotiations over reform of the national agreement.
Councils are able to develop new innovative funding	There has been limited progress partly reflecting the uncertainties facing capital markets but our work in this area continues
Councils are provided with the financial flexibilities and tools to invest in housing	Treasury remains unconvinced of the case to revisit borrowing restrictions on local authority housing – we will continue to campaign in this area
The Public Health Grant is sufficient to meet local authority public health responsibilities	There is a risk that the global figure for public health resources will not be sufficient when it is announced – we will continue to focus our lobbying activities in this area
We deliver 100 peer challenges in each of the next 3 years	We have delivered 40 peer challenges to the end of September, with another 79 booked or in firm discussion but if there are cancellations or postponements the 100 might be missed
Our outsourced back office services are efficient and effective	A fundamental renegotiation of the Liberata contract is now underway. Until these are concluded the target is marked “amber”.
We have an agreed approach to eliminating our pension deficit	Resources Panel will consider this issue at their next meeting in October.
We secure core funding for the LGA from 2015/16	Work on the LGA’s financial strategy is now getting underway, to feed into the next planning round and also to inform the LGA’s overall positioning with regard to a future funding bid.

6. Our current assessment is that one of the business plan outcomes will not be achieved – that the anticipated White Paper on the care system for children offers a more streamlined approach and recognises the role of councillors. The government’s decision not to publish the White Paper means this outcome will not be achieved.

7. We will continue to focus effort in working towards achieving the outcomes in the business plan and will provide a further report on progress at the nine month stage. We have agreed to improve the report format for next time, in that we will provide two traffic light assessments: one on whether or not the LGA has delivered the agreed programme of work; the other on whether or not the agreed outcome for local government has been achieved.

Financial Performance

8. Because of the tight turnaround in reporting the second quarter's performance information, the management accounts presented here cover the first five months of the financial year. Management accounts for the first six months are currently being prepared and these will be published on 12 October.
9. The management accounts to the end of August 2012 are included at **Appendix B** and show the following:
 - 9.1. The net position for the first five months is £3.5m of which £1.9m is the result of income received in advance for the LGA's grant-funded programmes. This leaves an operating surplus to date of £1.6m on the LGA's core budget.
 - 9.2. Budget managers are projecting that the break-even position will be maintained, with the projected shortfall in income of c £250k being offset by lower than anticipated spend. However, programmes were £1.6m underspent against profiled budget at the end of August. We will continue to manage programme budgets closely in the second half of the year to ensure that resources are directed to priority areas of work, including newly emerging priorities that we were not able to identify at the start of the year. Subject to this, SMT recognises that an underspend could be useful to us in view of possible future funding pressures and the flexibility increased reserves will provide going forward.
 - 9.3. Core employee costs were £6.6m for the first five months. This compares with a budget of £6.4m. An overspend of c £230k on salaries is forecast for the year – this is due mainly to one-off redundancy costs of £360k which were not budgeted for.
10. To summarise, as for the first quarter, income and expenditure are broadly in line with budget, apart from programme spend which is currently coming in well under budget. Programme spend is now being closely monitored by SMT with detailed monthly reports

Corporate Health Indicators

11. The second quarter's report on the LGA's Corporate Health Indicators is presented at **Appendix C**. Key issues are:
 - 11.1. The number of authorities in membership has reduced by 1 – Greater Manchester Police Authority, the last police authority in LGA membership has now left. 30 authorities are on notice to withdraw. Of these about one-third regularly roll-over their notice to withdraw. We will continue to actively manage our engagement with all authorities on notice to withdraw to ensure that membership levels are maintained.
 - 11.2. Total headcount has remained steady over the last quarter.
 - 11.3. Debtor balances have fallen by over £1m since the last quarter, mainly because of the collection of local authority subscriptions which are all now fully paid. Our debtor profile continues to improve with 13% of debtor balances now over three months old. Work will continue to reduce this further.
 - 11.4. Average annual sickness has reduced from 3.5 days to 3.1 days over the last quarter. We will continue to monitor sickness and alert managers to specific sickness issues with members of their teams. In particular we will be taking action to ensure that sickness absence is fully reported.
 - 11.5. The Strategic Management Team has asked for the employee profile information to be extended to include an analysis by gender and also disability. This will be provided from the next quarter.

Strategic Risk Register

12. The updated version of the LGA's strategic risk register is included at **Appendix D**.
13. The top five strategic risks identified for the LGA remain the same:
 - 13.1. Impact/delivery
 - 13.2. Membership
 - 13.3. Financial Sustainability
 - 13.4. Shared Services Contract
 - 13.5. People Management.

14. There have been a number of changes to our assessment of these risks:

14.1 Membership – this is considered to have moved into the low risk category, as a result of the recent focus on communicating the LGA's offer and the more focused approach to visiting councils on the part of members and senior managers.

14.2 Financial sustainability – this is considered to have moved into the medium risk category, given that we are only now two years away from the decision on topslice funding beyond 2014/15. Preliminary work is underway on the LGA's approach to this negotiation and the impact of different financial scenarios.

Conclusion and next steps

15. The nine month performance report will be presented in January 2013.

LGA Performance Reporting: First Quarter

Summary

Business Plan Priority	Green (outcome achieved or on track to be achieved)	Amber (outcome at risk of not being achieved)	Red (outcome will not be achieved)
Public Service Reform	6	2	1
Growth, Jobs and Prosperity	3	2	0
Funding for Local Government	3	1	0
Efficiency and Productivity	6	0	0
Sector-led improvement	8	1	0
Our own effectiveness and efficiency	6	3	0
Totals	32	9	1

Public Service Reform - councils are at the centre, and are seen to be at the centre, of public sector reform and are delivering more effective services for local people

Campaigns:
 > **Keep it REAL: responsive, efficient, accountable local services** – promoting the role of elected councillors in ensuring communities get the services they want, and creating a debate about codifying the relationship between central and local government
 > **Securing the future of adult social care** – setting out a clear overall message about the need to reform and fund adult social care and support

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Government policy continues in a localist direction and councils embrace new powers; and Councils are supported in developing new models of local public service delivery and commissioning including community budgets	Paul Raynes - 350k + 140k external funding for Keep it Real commissioning work	Community Budgets - evidence gathering including financial modelling and case studies of learning (April - Oct);	In progress	GREEN	Support products for the Localism Act delivered as promised to timetable and on budget. Community budgets places continue to be supported strongly by LGA and have passed their Outline Business Case milestone. Intend to include the library of new service delivery models into the community budgets cook-book/toolkit. We continue to make the case with the government for future decentralisation especially through the Independent Local Government Campaign. Reconsidering requirement for Governance for Leadership event in the light of lack of support for more elected mayors.
		Community Budgets: lobbying to promote the concept - meetings with gov't, other public sector stakeholders	In progress		
		Community budgets: improvement support to pilots and to others implementing a CB approach	In progress		
		Local public services - new service delivery models library (July)	No - not delivered		
		Decentralisation - further lobbying, including response to Greg Clarke's decentralisation report (June); respond to 'right for choice' (June) and cross-programme presentation on where next for decentralisation (autumn)	In progress		
		strategic commissioning CEXs round-table and support tools	In progress		
		Strategic commissioning - Keep it Real tailored support to 12 councils and wider dissemination	In progress		
		Role of councils: influencing CLG S/C inquiry (May-June); Governance for Leadership event (Mayors, PCCs etc) Jan 14	Yes - delivered		
		General Power of Competence essay (May) and examples of use (Mar 13)	Yes - delivered		
The anticipated White Paper on the future funding of adult social care offers scope for a fairer, clearer system, with councils retaining lead responsibility	Sally Burlington - 125k	Pre-White Paper campaign work - analysis of current and future funding requirements, polling, making the case for change (April)	In progress	AMBER	Our pre-white paper work was successful with front page coverage of our funding analysis in The Telegraph and additional coverage in other national and trade media. We also submitted letters from the Chairman to the three national party leaders on the urgency of reform and enjoyed high profile coverage as a leading commentator on the government's care and support white paper. Our views were strongly made in evidence to the Health Select Committee and our work received a number of mentions in an Opposition Day Debate on social care. We are just about to publish a guide to the reform debate for leaders and chief executives and host a roundtable for the same audience. We have also received more than 80 responses to our white paper survey, which we will publish shortly. Despite a lot of positive work in this area, and despite the white paper and draft bill providing a good platform for taking forward reform, the question of system funding, and funding for the central recommendation of the Dilnot Commission remains unanswered. Funding for the system and funding for reform must go hand in hand and therefore we remain at amber.
		Lobbying on White Paper - briefing, conference and other engagement (likely June)	In progress		
		Lobbying to secure a favourable Care and Support Bill (July 12 - early 13)	Delivery - scheduled for later this year		

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
National workforce agreements are seen as relevant and fit for purpose by councils	Sarah Messenger - 330k + 200k external funding	Workshops and seminars with councils on local reward strategies	Yes - delivered	AMBER	Efforts to engage the LG trade unions in negotiations over reform to the national agreement and national negotiating machinery are underway. There have been a number of informal discussions, including some at joint secretary level. Whilst these remain challenging issues, it is positive that the trade unions have now demonstrated a willingness to engage and a programme of meetings has been set. However this outcome is still assessed as 'amber' because there remain substantial difficulties to address before potentially getting to the point of having a deal acceptable to all parties.
		Trade Unions engaged in reform of national terms and conditions to increase local flexibility for councils	In progress		
A reformed pension scheme is delivered without further serious industrial disruption or significant opt out rates for implementation in April 2014	Sarah Messenger - 700k external funding	Agreement on big ticket elements of a new pension scheme (April) and consultation process for regulation (Sept)	Yes - delivered	GREEN	Discussions on redesign have been completed and agreement reached with the TUs. The LGA and the trade unions consulted with their members and received overwhelming support for the proposals from those who responded. The Govt will consult on the basis of the agreement reached between the LGA and the TU's. Discussions have now begun on issues relating to governance and future cost control.
Local government demonstrates its commitment to its new public health responsibilities	Sally Burlington - 93k + 370k external funding (HWEL) From June onwards £600k external funding for Healthwatch	Health improvement support - around new responsibilities, healthwatch, health and wellbeing boards, health and social care commissioning and children's health. Also see public health funding within funding for local gov't priority	In progress	GREEN	Healthwatch - Programme now approved and implementation team in place and in process of regional 'stock takes'. Budget and performance plans being developed and a series of events has been delivered along with work on scrutiny, skills and learning and voluntary sector commissioning Health and Wellbeing programme continues. Simulation events in demand and Chair's networks being formed. National learning network conference planned for Nov. A further extension to the programme to March has been agreed
Police and crime panels are established without the need for intervention by government	Helen Murray - 166k	All force areas have agreed proposals for setting up panels (July) and Panels are in place (Oct) - support, guidance and practice shared (April - Aug)	In progress	GREEN	All but one area out of the 37 in England have agreed the arrangements for setting up their police and crime panel. The final area has held the first meeting of its panel and will be finalising arrangements at its next meeting. The panel support group which includes all host authorities for panels continues to provide support and guidance and share good practice, and the LGA has continued to produce further guidance on establishing panels including one on conducting confirmation hearings. The LGA has continued to support CSPs in preparing for PCCs through a variety of means, and a national brochure will be published shortly. The LGA's offer to PCCs has been raised in visis to police authority chief executives (who become the chief executives of PCCs) around the country, a fortnightly bulletin to prospective PCCs, and through discussions with the APA/APCC about a joint offer being made to PCCs through a joint Strategic Partnership Board.
		Support to community safety partnerships in preparing for PCCs - inc a national brochure for PCCs on the assistance Community Safety Partnerships can provide (autumn party conferences)	In progress		
		Develop an attractive membership offer for PCCs	In progress		
Councils are supported in their role in school place provision, fair admissions, driving school improvement and supporting vulnerable pupils	Sally Burlington - 70k	Councils' continued role in education advocated - action research published (June); LGA response (Sept) and support programme (Nov - March 13)	In progress	GREEN	The action research was published at Annual Conference 26 June. The LGA response will be published in October. The programme of support is progressing, with a seminar on commissioning new schools in October, research on admissions due to publish in December and work on scrutiny of local schools in train.
		Schools funding: response to Gov't review (autumn); publication, evaluation of LACSEG costs	Yes - delivered		We have responded already to the Government's review of schools funding, which has been scaled back from a wholesale move to a national funding formula for school to a more limited reform of local funding formulae. We are now monitoring the impacts of these changes to local funding formulae. We have also responded to a recent consultation on the future funding of local authority central costs (LACSEG) and will continue to lobby for a fair settlement of this issue.

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
The anticipated White Paper on the care system for children offers scope for a more streamlined approach, reducing delays and bureaucracy, recognising the role of councillors	Sally Burlington - 50k	Promoting foster care and adoption . LGA corporate parenting week (June) and response to Green/White Paper (summer)	In progress	RED	The Government has decided not to publish the white paper, hence this traffic light as assessed as 'red'. This area of work is being rescoped to focus on support for councils in the commissioning of children's homes and on safeguarding vulnerable teenagers. Support for the roll-out of the Munro Review and Family Justice Review has been taken on by CIB. Research into the impact of welfare reform will be carried forward as part of a wider review of the impact of welfare changes at the appropriate time.
		Support for roll-out of Munro Review and Family Justice Review	In progress		
		Research to identify impact of welfare reform on CYP	No - not delivered		
Future EU regulation minimises burdens and maximises opportunities for councils	Ian Hughes 60k	Supporting EU members to lobby on issues such as working time directive, procurement, waste.	In progress	GREEN	Good progress is being made to build alliances in advance of Euro Parliamentary votes. Major lobby of English MEPs took place in Sept and two council secondees are now working in BIS as part of UK negotiating team.

Growth, Jobs and prosperity - councils are recognised as central to economic growth

Campaigns:

- > **Local economies, local growth** – promoting councils' leadership of economic development, removing central barriers to local growth and making the case for the devolution of new powers, especially planning
- > **Housing the nation** – to win increased housing powers and freedoms so councils can better address the current housing crisis
- > **Hidden Talents** – demonstrating that councils are best placed to identify and support the one million young people not in education, training or employment

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Has outcome been achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Business and residents are able to rely on councils and their partners including Local Enterprise Partnerships (LEPs) for excellent services to stimulate growth and new jobs; National services such as skills, transport and employment, are localised so that councils can support economic recovery more effectively; there are increased planning powers and freedoms for councils to support economic growth; and councils are able to reduce red tape and regulatory burdens	Ian Hughes - 175k +2650k CLG grant funding for PAS	hidden talents campaign - Series of LGA/council/govt pilots to demonstrate local solutions to long term unemployment	In progress	GREEN	Hidden Talents: The campaign's demonstration pilots are being developed and we have achieved buy-in from a range of organisations (business, voluntary sector and think tanks). We will be launching the final report before Christmas.
		hidden talents campaign - BIS sponsored round tables summits in five authorities to pilot/demonstrate better ways of working	In progress		Local Growth Campaign: This year's work was launched at annual conference – setting out a renewed LGA programme of work to support councils and a growth development offer. We are now launching a series of Town Hall Summits which will deliver a series of localist offers to help promote growth.
		hidden talents campaign - Conclusion Summit with BIS	In progress		Visitor Economy: We have ensured that local government has a strong voice on VisitEngland's new engagement structures and shared new approaches, such as Tourism Business Improvement Districts.
		New ways of working on transport - DfT sponsored LGA/council/govt pilots to demonstrate barriers/solutions to growth from national transport policy	In progress		Superfast Broadband: With Local Partnerships we have held a series of briefing events attended by over 100 councils. Local Partnerships has also supported councils to develop Local Broadband plans. The biggest barrier to the national roll out is the failure of the government to secure state aid clearance from the EU.
		Local growth campaign - Quarterly report on council led growth successes	Yes - delivered		Transport: Our demonstration pilots with Staffs, Manchester, Cornwall and Leeds are being developed for a summit with DfT in the autumn.
		Local growth campaign - Marketing campaign of council ambition to Govt, business and others	In progress		Reducing Red tape and regulatory burdens: We are feeding into the cross-government review of all powers of entry, ensuring MPs are informed through practical case studies of why councils need these powers. Work to support councils minimise red tape and support community events over the Jubilee and Olympics periods has concluded with the publication of a councillor handbook and 'how to' guide.
		Visitor economy	In progress		Planning: PAS continues to provide free and bespoke support, including on plan preparation and advice and tools for those authorities with a plan in place to ensure plans are up to date and in conformity with the NPPF.
		Support to councils with superfast broadband	In progress		Metal theft: Richard Ottaway MP's private member's Scrap Metal Dealers Bill, was published on the 13 July. It introduces a council run licensing regime for scrap metal dealers. The LGA produced briefings supporting the Bill and encouraged MPs to attend the second reading stage. The Safer and Stronger Communities Board also held a meta
		Economic development improvement support inc. upto 6 events for members and officers	In progress		

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
		Support on transition to new planning regime	In progress	GREEN	
		Planning Advisory Service - events, support tools, peer challenges, member development (feeding into LGA's housing the nation campaign)	In progress		
		Preventing economic damage caused by crime problems that undermine growth, e.g. metal theft	In progress		
Councils lead the delivery of the Green Deal, to improve the local environment and create new employment opportunities	Caroline Green 85k + 40k external funding	Guidance for councils on HECA, development of collective energy procurement model, guidance on energy opportunity mapping	In progress	GREEN	Priorities for this spend area being re-evaluated by the Environment and Housing Board in early September. In the meantime, work in this area continues. HECA guidance has been released, and flooding and climate local work continues to progress well, with further funding for our support likely for 13/14.
		Flooding and climate resilience support	In progress		
Councils are able to develop new innovative funding, such as local authority bonds and tax increment financing, including a shift in attitudes to investment in infrastructure on the part of local authority pension funds	Paul Raynes 170k	Publication on options for infrastructure funding (May) and 'Stimulating Places' studies in Kettering, Barnsley and Cornwall and publication (Oct 12)	In progress	AMBER	Stimulating places' work with BPF will culminate in an event and publication in Oct. Bonds and pension fund investment work continues. However uncertainty within financial markets means that progress on bonds work is uncertain. This has also delayed the pension fund work - hence the amber traffic light.
		Making the case for a local government bonds agency (July) supporting the use of TIFs and helping councils access debt capital markets (ongoing)	In progress		
		Promoting pension fund investment in infrastructure - dialogue (April); publication (Sept)	In progress		
Councils are provided with the financial flexibilities and tools to be able to invest in housing in their area and negotiate crucial infrastructure with developers	Caroline Green 107k	Research on impact of affordable rents programme	Yes - delivered	AMBER	Treasury remains unconvinced of the case to revisit borrowing restrictions on local authority housing - therefore assessed as being "amber"
		Code of practice on the new self-financing system	In progress		
		Support with the new regulatory framework for social housing	In progress		
		Housing support programme for officers and councillors on housing reforms, linked to the Housing the Nation campaign	In progress		
Councils play their part in a successful 2012 Games, to ensure benefits for the whole country	Paul Raynes 170k grant funding	Work with the task and finish group to ensure councils play an active part in the delivery of a successful Olympic and Paralympics and maximise its legacy	Yes - delivered	GREEN	The task and finish group had its final meeting before the Games on 30 May and discussed the Olympic Torch Relay, environmental issues, emergency planning and transport and community celebrations. The group has been receiving regular reports on activity underway across the LGA to ensure that member councils have the latest information and share experience of local operational issues and represent the interests of local government at the Olympic Secretariat and the Cabinet Committee for the Olympics

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Funding for Local Government - Reform of the public sector finance system so councils raise more funds locally, have confidence their financing is sustainable and fair, and have greater ability to co-ordinate local public services.					
Campaigns: > Sustainable funding for local government – highlighting the financial pressures on local services.					
Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Has outcome been achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
An accurate assessment of spending pressures facing local government is maintained and used in discussions with government about future funding settlements; a business rates retention scheme is ready for implementation in April 2013 that provides councils with stability and predictability, the ability to retain the proceeds of local growth, and adequate safeguards for councils starting with lower tax bases; and the new EU budget includes significant investment in the UK which is locally delivered	Paul Raynes 175k	Future Funding: Risk-assessment of the impact of future spending reductions on different councils – by region, type of council etc.	In progress	GREEN	The long run-up to the next Spending Review, if there is a formal spending review at all, started well at the LGA's annual conference and continues.
		Future Funding - Assessment of the impact of a further significant reduction in grant on council services	Yes - delivered		
		Future Funding - Research into what the council of the future will look like	In progress		
		Future Funding: Additional research into specific priority services	In progress		
		Iceland Recovery of resources from failed Icelandic banks	Yes - delivered		
		LG Finance Bill - lobbying (April - June); lobbying on secondary legislation (July-Sept)	In progress		
		Lobbying to influence review of EU Budget (2014-2020) including structural funds: seeking a more coherent, locally responsive and accessible EU future funding package which Councils can benefit from.	In progress		
The Public Health Grant is sufficient to meet local authority public health responsibilities and allocated on an equitable and transparent basis	Sally Burlington - funded through Public Service Reform health budget	Making the case for improved public health funding - fact-sheets, lobbying, case made within CSR submission	In progress	AMBER	Executive considered a further report on public health funding in September and they have agreed that we should continue to make the case for local government to have a greater proportion of the global figure for public health. The Chairman and Chief Executive have a meeting with the Secretary of State for Health on 3 October and will be raising the issue of the need for more resources to invest in public health services. We have a further meeting with the DH to discuss the allocation formula for the public health grant. We have had strong indications that our recommendations for adjusting the formula are being considered by ACRA.

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Councils have a customer-facing role in the delivery of universal credit	Paul Raynes 50k	Lobbying to minimise risks of welfare reforms (April - June);	In progress	GREEN	DWP Ministers have changed their approach and agree that councils will have a role in delivering Universal Credit. A dozen face to face pilots have been announced and work is under way following a launch event on 17 Sep 12. Lobbying to minimise risk continues eg evidence to Work & Pensions Select Committee.
		Work with DWP, pilot, demonstrator and pathfinder authorities to develop the delivery of Universal Credit (April 12-Oct 2013)	In progress		
		Work with councils to implement localised Council Tax benefit (April 12 - Jan 13)	In progress		
Councils have the freedom they need to raise revenue in the ways they determine are appropriate; and all fees and charges for local authority services are decentralised including those for services like planning	Paul Raynes	Lobbying of Government to devolve local planning fee setting ; and support to councils to benchmark costs and develop robust local fee-setting model. NB: also see infrastructure funding work within growth priority		GREEN	CLG has announced a 15% increase in planning fees subject to regulations to be made in the autumn. This increase is to reflect the cost of inflation since 2008. This represents movement as a result of LGA lobbying. Further work is to be undertaken looking at constraints on council fees and charges in other service areas.
A full review is carried out of the funding arrangements for the countries of the Union, to ensure an equitable, needs-based approach that is fair to all parts of the UK	Paul Raynes 30k	Influencing the public debate on the Barnett Formula	Delivery - scheduled for later this year	GREEN	Members have signalled their intention to consider this further. Work is being scoped and evidence given to the McKay Commission.

Efficiency and productivity - councils dramatically reduce costs in ways which minimise the impact on the quality of life for their residents.

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Has outcome been achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Councils save at least £160 million over the next three years by supporting pathfinder programmes, productivity master classes and good practice; and at least 15 councils each year are able to explore new ideas, test out new ways of working and share the lessons through a range of innovative pathfinder programmes including the Creative Councils programme	Dennis Skinner 565k	Transformational capacity to 4 clusters of councils and productivity experts to 5 councils to help them save £30m	In progress	GREEN	<p>Transformational councils - 2 councils (Birmingham and Rushcliffe) have been selected and a further 2 councils will be confirmed by Improvement Board in December 2012.</p> <p>ASCE - All councils are now working on phase 1 plans to identify whole system changes to adult services. Phase 2 (system changes and delivery of savings) will start in September and progress will be reported to Improvement Board in November 2012.</p> <p>Troubled families - the development of this programme continues. Further discussions are being held with CLG on a suitable approach.</p> <p>Category Management pilots - 8 pilots (involving 70 councils) have been selected and commenced their work in May. Improvement Board will receive an update in May 2013.</p> <p>Procurement Business Case - consultants have been appointed. The Improvement Board has received an interim report and expect to receive the final business case in November 2012.</p>
		Productivity support to 50 ASCE councils for innovation	In progress		
		Troubled families pathfinder programme (subject to match-funding from CLG) - see links to Public Services Reform CB work	In progress		
		Work with councils to develop category management	In progress		
		Development of a business case for a national procurement hub/procurement strategy and spend analysis	In progress		

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
		Creative Councils	In progress		Creative Councils - 6 councils selected for final phase and contracts in place with NESTA/LGA. Innovation 'events' a 'sell out' at Annual conference.
Councils reduce expenditure and promote economic growth through the next round of the Capital and Assets Programme	Dennis Skinner 200k	Work with Wave 1 & 2 pilots and leading asset companies; diagnostics to assess local growth potential	In progress	GREEN	Six councils received approval to participate in the Programme at the September 2012 Improvement Board. A further six councils have submitted high quality applications and these could be approved subject to additional funding being available.
Councils achieve efficiencies in waste management and increase recycling rates, with regulations that work for councils	Dennis Skinner 75k	Completing the pilot on the removal of a waste stream through the use of macerators	In progress	GREEN	Severn Trent water has been selected as a delivery partner for this work. Two residential developments with 1,000 properties have been identified and work to install macerators will commence in the autumn.
At least 95 per cent of councils access Local Government Inform (LG Inform) to benchmark costs and performance information against other authorities; and Councils share and develop new, innovative ways of reforming public services through a 25 per cent increase in the use of the LGA's Knowledge Hub	Dennis Skinner 450k (exc. comms funding for Khub)	Launch of LG Inform next version	In progress	GREEN	Currently 90% of councils are accessing LG Inform. The launch of the next version of LG Inform has been delayed until March 2013. All requested research projects have been delivered and underway. Knowledge Hub has been delivered and 10% increase in usage of it has been achieved so confident on course for 25% increase usage target.
		Core LGA research	In progress		
		Knowledge Hub	Yes - delivered		
Councils strengthen their approach to people management, with at least 50 councils using the LGA's workforce planning self assessment tool	Sarah Messenger 300k	Tools to support effective workforce planning , make effective resourcing decisions and to benchmark people performance (via LG Inform)	In progress	GREEN	We have developed a draft peer assist process and are working with councils to develop a self assessment tool to launch in late November. Transition Guidance on Public Health has been agreed with the unions and published. National agreement reached on treatment of pensions for Public Health transferees. 20 councils already committed to use EVP methodology. We have developed a 'Workforce narrative' which describes the future workforce challenges and priorities for councils and what the LGA can do to assist in addressing them.
		Partnership working to plan workforce needs. Workshops; national conference; advice on workforce planning during the Olympics; and promote the 'Leading by Example' self-assessment tool.	Yes - delivered		
		On-line advice with sector skills ; Standards for Employers of Social Workers, action learning sets on implementing the Standards and national conference with Skills for Care	In progress		
		Workforce equipped to deliver the business. Workshops on the 'spans of control' project and on people management issues in shared services; and develop and test new worker key competencies	Yes - delivered		
		Pay and reward. Support to councils in reviewing their local deal (EVP). Support to councils to manage top pay	In progress		

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Councils and fire and rescue authorities respond effectively to civil emergencies through support with implementing the National Strategic Resilience Governance arrangements	Helen Murray 20k	Implementation of National Strategic Resilience Governance arrangements	Yes - delivered	GREEN	We have worked with the government and the sector to develop the national strategic resilience arrangements. We have produced a toolkit for use by local fire authorities in gaining support locally for the installation of sprinklers in buildings used/occupied by vulnerable people
		Support Fire College sale	In progress		
		Support fire Local Government Finance reform	In progress		
		Fire Conference	In progress		
		Sprinklers campaign	In progress		
		Support on Future Control	In progress		

Sector-led improvement - councils are the most improved part of the public sector. Local politicians and senior managers lead the transformation of local places.


Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Has outcome been achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Councils welcome peer challenge and support, with over 100 peer challenges being delivered in each of the next three years for councils and fire and rescue authorities	Dennis Skinner 350k	50 corporate peer challenges	In progress	AMBER	In the period to the end of September we have delivered 40 peer challenges (of all types) including 20 corporate peer challenges for councils and fire and rescue services, with very good feedback from those authorities who have participated and positive external evaluation of the process by Cardiff Business School. We have a further 79 booked or in firm discussion with authorities about so we are still hopeful of meeting the overall target of 100 but if there are cancellations or postponements then the 100 figure might just be missed - hence we are showing this as amber at this stage.
Sector-led improvement is established in children's services, through support for self-assessment and peer challenge including 36 peer reviews, targeted support to councils, and practical approaches to policy implementation	Sally Burlington / Colin Hilton 40k + 8000k for Children's Improvement Prog	Childrens Services member development programme (also see Children's Improvement Programme improvement support)	In progress	GREEN	Induction session delivered for new Lead Children's Services Members. Good take-up of Political Leadership in Children's Services at the Leadership Academy. A revised and updated Safeguarding Children peer review methodology was launched in operation from September. 8 reviews have been delivered and 23 are booked up to 31st March 2013. The revised target of 30 will be met. 2 peer assessment and evaluation (PEA) events have been. New Safeguarding Practice Challenge methodology being developed.
		CIB Regional Grants - Support regions to develop and implement region children's improvement programmes - provide funding to support regional improvement	Yes - delivered		CIB Board running effectively to manage the programme and support national and regional improvement. Regional grants - £3,018,000 paid in regional grants - Regional improvement and delivery plans developed, inc approaches and plans for all Children's Services to receive gifted peer reviews - Regions have reported good progress on Q1 activity - Working to support regional improvement working with 24 councils in targeted support, 84 on Family Justice and 21 on Adoption
		CIB: National support activity - provide targeted sector support and grants for those in intervention or in need of early support -deliver 36 peer safeguarding peer challenges - support a regional improvement culture	In progress		National support activity - £1,200,000 paid in grants to support those in intervention or in need of early support - 6 reviews delivered to date with a further 24 reviews scheduled until end March 2013. Target of reviews reduced from 6 to 4 - Two regional conferences held with good active engagement from all regions
		CIB: Policy to Implementation Support regions and local authorities implementation of government policy in the areas of: -Munro, social work reform and early support -adoption, family justice review and care -early and foundation years -youth, data and commissioning	In progress		Policy to implementation - 17 'Development Demonstrators' for Munro & Early Years selected and due to start work in October - Adoption diagnostics complete and support being provided, plans for a 2nd round in the late autumn - 12 Youth Improvement Zones identified and operational - Peer challenge data profiles (BSIF) developed

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Sector-led improvement is established in adult social care, through self-evaluation, peer support and challenge, targeted support to councils, and support with sharing and analysing performance	Sally Burlington 200k + 500k external funding for Towards Excellence in Adult Social Care prog	Adult Social Care leadership programme including national conference	In progress	GREEN	<p>The Networks continue to be a valued mechanism of encouraging member development regionally. Links are being made with the children's lead member networks and across regions in a series of joint meetings. Network chairs attended a CWB Board attended by the Minister to discuss funding.</p> <p>A third adequate council improvement was endorsed by the TEASC programme board; work continues on regional support from peers; managing risk; and the baseline for performance in adult social care.</p> <p>Four peer challenges have been undertaken.</p> <p>The Partnership on Dignity in Care is preparing a long-term action plan to support delivery of the recommendations, including fundraising</p> <p>Documents on performance monitoring in adult safeguarding including learning from peer challenge; pilot sites in local authorities on an outcome focus; information for PaCCA and lobbying on central data collection were developed.</p>
		Adult Social Care Partnership on dignity in care	In progress		
		Adult Social Care - 20 peer challenges	In progress		
		Adult social care - national conference - see above	In progress		
		Adult Social Care - online resources for councillors	In progress		
		TEASC: self-evaluation, peer support and challenge	In progress		
		TEASC: targeted support to councils	In progress		
		TEASC: support with sharing and analysing performance	In progress		
The number of councils that government intervenes with remains small, by maintaining an overview of the performance of local government and providing tailored support to councils that face significant challenges including support from the Centre for Public Scrutiny	Dennis Skinner 635k NB Plus external funding from Sport England £50k	Financial and non-financial support to upto 25 councils	In progress	GREEN	<p>Principal Advisors working with colleagues from CIB and the ASC Board are providing co-ordinated support for 35 councils.</p> <p>CfPS is now funded</p> <p>Through the LGA / Arts Council England Libraries Development Initiative 13 projects have received a total of £230,000 to develop, capture and share new delivery models for libraries. We have delivered peer support in four places and reached 30 portfolio holders at leadership seminars</p> <p>Culture and Sport We have supported over 70 portfolio holders for sport to lead transformation in their local areas through leadership academies and seminars, in partnership with Sport England</p>
		Core funding to Centre for Public Scrutiny	In progress		
		Libraries improvement support	In progress		
		Culture and sport member development	In progress		
All councillors are better able to lead their communities, by providing a range of development programmes for elected members with one subsidised place for every council for each of the next three years	Dennis Skinner 595k + 100k external funding	Ashridge Virtual Learning Resource and Member Development Charter	In progress	GREEN	<p>The revised Ashridge virtual resource is being promoted as part of the wider leadership offer to councillors and managers.</p> <p>Member Development Charter: We are maintaining links with regional LGA bodies and with regional member development networks to promote the charter and wider LGA member development activities.</p> <p>Councillor Guides - resources outlining sources of grants/funding for local initiatives has been made available on the website to support councillors in their community leadership role within their wards. The revised political skills framework has been made available to help councillors identify their personal development needs. The 2012 Councillors Guide was circulated following the May 2012 elections (2,706 copies to 353 councils).</p> <p>Induction Events: Events held in Preston, London, Birmingham and Leeds iwth over 100 councillors attending.</p> <p>Leadership Academy: In total 90 councillors to date have booked places on programmes. 4 programmes have commenced and dates are set for the remaining 5.</p> <p>Next Generation councillor programmes - Providers for each group have been identified and participants in the three cohorts are being finalised with about 35-40 applicants for each. The programmes will commence in autumn 2012</p>
		Councillors guides and induction events	In progress		
		9 Leadership Academy programmes	In progress		
		Next Generation' councillor programmes	In progress		

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Elected members and officers work together constructively, by providing development programmes such as Leeds Castle	Dennis Skinner 95k	Leeds Castle - cohort 9	In progress	GREEN	Leeds Castle A new provider team has been appointed (David Bolger Consulting and University of Birmingham) following an open tendering process. The 2012 programme has now commenced with the Design Day on 5 Sept. There are 16 participants. A major alumni event for all past cohorts is planned for later in the year
		Alumni events, national programmes	In progress		
The profile of councillors better reflects the diversity of their local communities, by working with the national parties and others through our Be A Councillor programme	Dennis Skinner 110k	Series of events to develop councillors as talent spotters	In progress	GREEN	Be A Councillor - providers have been contracted to deliver party group streams of work in consultation with the relevant LGA Group Office. Contracts allow for 16 days of consultancy for each group over the financial year 2012-13. Support has been offered to all councils where there was a change in control following the elections in May 2012
		Change of political control programme	In progress		
New talent is attracted into local government through the National Graduate Development Programme	Dennis Skinner 450k + 140k external funding	Recruitment of cohort 14	In progress	GREEN	NGDP The recruitment of Cohort 14 is now broadly completed. We currently have 77 trainees across 43 councils (a significant increase on Cohort 13: 47 places across 25 councils). The induction event will take place on 25/26th October. Outcome achieved: to increase council involvement in the programme and to recruit high quality graduates into local government to create talent pool of future senior managers Marketing and promotion of cohort 15 is commencing A joint event for the current cohorts of NGDP and Next Generation was held at the LGA conference. Outcome was to improve understanding and links between future officer and members leaders
		Promote cohort 15	In progress		
		Next generation and NGDP event at LGA Conference	In progress		
International practice is used to benchmark our services and advance our campaigns	Ian Hughes 60k + 40k external funding	A series of self-funded international improvement projects, with learning shared with sector	In progress	GREEN	We have begun to deliver the African peer pilots. Two reviews have had to be rescheduled for various reasons, but it is hoped that these will conclude in Dec 2012.

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Our own effectiveness and efficiency - The LGA is the national voice of local government, representing every local authority and locally democratically elected representatives across England and Wales.					
Corporate Objectives: > Membership > Financial sustainability > People management					
Business Plan Outcomes)	Reporting Manager and budget	Deliverables	Has this been delivered?	Has outcome been achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Membership - membership levels amongst local authorities in England and Wales are maintained by enhancing the benefits and reducing the costs of membership	Claire Holloway	Reductions to core LGA membership subscriptions	Yes	GREEN	All authority types offered a reduction in 2012/13 LGA Subscriptions. Bespoke subscriptions letter sent to each council and all backbenchers, setting out the direct benefits of LGA membership. Resources Panel have started a review of 2013/14 subscriptions.
		Tailored membership offer sent to all elected members in every member council and all CEOs	Yes		
		Active engagement with all councils on notice to withdraw from membership	In progress		
Membership - we develop an attractive membership offer for police and crime commissioners	Helen Murray	Offer developed and prospectus launched (May)	Yes - delivered	GREEN	Support currently being provided to prospective candidates, including a fortnightly bulletin and political group sessions. An event for new commissioners planned for December 2012. A strategic partnership has been developed with the Association of Police and Crime Commissioners (APCC) which will ensure that national policy and legislation is developed and influenced in line with the shared interests of PCCs and local authorities. Produced a key document outlining how councils can help PCCs deliver their manifesto commitments which is being promoted by members at Party Conferences.
Membership - we develop strong, productive relationships with councils, groupings of councils and councillors themselves including backbenchers - this will be the focus of a member scrutiny review and we will be carrying out a customer survey	Claire Holloway	Audit and Scrutiny Panel scrutiny review of the offer of direct support to councils (July)	In progress	GREEN	The Audit and Scrutiny Panel Scrutiny Review will provide final recommendations to the Leadership Board in October. Draft action plan in place to deliver review recommendations. Customer Perceptions Survey signed-off by the Leadership Board in September and has been commissioned and will be completed by December 2012. Welcome packs and benefits of membership sent to all newly elected councillors in June 2012. The focus for the rest of the year will be on developing a targeted approach taking account of customer segmentation. Action: new councillor road shows held during July and September in the regions covering membership benefits. Planned programme of visits to councils by Chairman, CEO, Executive Director and Principal Advisers in place. Group leaders/ Heads of Group Offices managing a programme of political visits to councils on notice.
		Customer Perceptions Survey - survey CEO's/Senior staff; leaders; chairs of scrutiny panels and backbenchers (July)	In progress		
		Ongoing programme of engagement through the Group offices including council visits and a programme of regional events	In progress		
		Programme of visits to councils by the Chairman, Chief Executive, Principal Advisers and other senior managers	In progress		

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
Membership - the LGA and regional bodies work together effectively on lobbying and support for councils	Ian Hughes	Share lobbying objectives to maximise leverage	In progress	GREEN	Clear engagement with regional bodies to involve them in the LGA's lobbying activities. There is a process to give the Regions input into the 2013/14 Business Plan.
		Work collaboratively on campaigns to ensure the diversity of councils requirements are recognised	In progress		
		Through the Regions engage authorities on the Employers positions on national pay bargaining	In progress		
Financial Sustainability - we have effective programme and financial management and regular and robust performance review	Helen Platts	A robust programme plan for the year developed	Yes - delivered	GREEN	Clear programme management arrangements now established with Resources Panel to oversee financial performance. Budget holders complete monthly financial reporting providing outturn forecasts and commentary for any significant variances against budget.
		Quarterly performance reporting including management accounts for SMT and the Leadership Board	In progress		
		Internal audit programme delivered	In progress		
		Risk management framework developed and led by the Approvals Committee	Yes - delivered		
Financial sustainability - our outsourced back-office services are efficient and effective, with 80 per cent satisfaction levels achieved in all areas, and we achieve at least 12 per cent reduction in our overheads - this is also the focus of a member scrutiny review	Helen Platts	Independent benchmarking exercise of the Liberata contract by ISG (July)	Yes - delivered	AMBER	Fundamental contract renegotiation is now underway following the independent benchmarking review has been completed in July 12. Until negotiations have concluded, this target is marked as 'amber'.
		Liberata service improvements delivered following Liberata Customer Survey feedback (Nov)	In progress		
		A fundamental review of the Liberata contract and renegotiation led by the Resources Panel	In progress		
Financial sustainability - We have an agreed approach to elimination our pension deficit and make progress with this.	Helen Platts	Additional pension contributions agreed as part of a 10 year plan to address the deficit	Yes - delivered	AMBER	Further consideration of the LGA's pension position is scheduled for the Resources Panel in October.
		Further pensions proposals to be considered at the September Resources Panel	In progress		
Financial sustainability - we secure core funding for the LGA beyond 2014/15	Helen Platts	Four year financial strategy and financial risk assessment reviewed by the Resources Panel	Yes - delivered	AMBER	Framework for 2013/14 budget now in place. Further work on future financial scenarios now underway.
		Review of the budget and financial strategy by SMT (summer 2012)	In progress		
		Zero based review of the budget (April 2013 to June 2013)	No		

Business Plan Outcome(s)	Reporting Manager and budget	Deliverables	Has this been delivered?	Is outcome on-track to be achieved? [Traffic Light]	Commentary on deliverables and achievement of outcome
People management - we support our employees through regular appraisal and investment in their development including a development programme for front-line managers, effective induction and comprehensive e-learning materials.	Tony Smith	Performance management and appraisal scheme (April)	Yes - delivered	 GREEN	New Appraisal and Performance Management Policy launched and will inform the Learning & Development cycles and which may impact on pay progression of underperformers. E-learning package developed in order to offer basic training to employees. Management Development Programme commenced. Action Plan following employee survey developed by Director of Communications and reported to SMT.
		Management development programme (July)	In progress		
		e-learning package offering basic training	In progress		
		Actions arising from Employee Engagement Survey (April)	Yes - delivered		

LGA Management Accounts - SMT Pack

Aug-12

At a Glance - Overview

YTD	The net position is £3.5M of which £2.2M is the result of income received in advance for grant-funded programmes, leaving an operating surplus to date of £1.3M on the LGA's core budget.
PROJECTED OUTTURN	Overall on current projections the LGA is expected to be in-line with budget. This takes account of the projected over spend on salaries of £236k which includes redundancy costs of £360k, budget manager projections and the projected shortfall in income in some areas. However programmes were £1.2m under spent against profiled budget at the end of August, which indicates that we are at risk of significant under spend on programme costs at the current rate of spend. Work is currently underway to provide a mid-year review of the budget.

Income

YTD	The direct services income variance is due to the annual conference held in June. For ring-fenced programmes £2.5M more income has been received than profile. This is because of grant-funding carried from 2011/12 and also grant being paid in advance, in particular for the Children's Improvement Programme.
PROJECTED OUTTURN	There is a projected shortfall in income of £243k against the £2.6m budget for direct services which includes Public Affairs £50k, Khub £100k, ESD Toolkit £33k and Peer Challenges £60k.

Expenditure

YTD	Pay costs are over spent by £236k due to redundancies and settlements of £360k. A under spend of £124k is projected on core staffing. Programmes are £1.2m under spent against profiled budget:
PROJECTED OUTTURN	The current projection for expenditure is an under spend of £243k, with savings of £110k for HR and Legal support, £189k Liberata savings from the benchmark review, programme costs according to latest Budget Managers projections: £135k for Policy & Development, £50k for Political support and £50k in Strategy & Communications. This is offset against the pay cost over spend of £236k. Overheads are currently being reviewed to estimate the projected year-end position.

Risks

- Knowledge Hub income target of £200k may not be achieved based on YTD performance
- Peer Challenge income target of £450k may not be achieved based on YTD performance
- £236k over spend on salaries for the year; this includes one-off redundancies costs of £360k.
- Risk of significant underspend on programme costs at current rate of spend.
- £55k over spend for legal costs with Negotiations, to be confirmed at the mid year budget review.

Opportunities

- £189k savings from the Liberata contract following the benchmarking exercise.
- P5 budget holder comments indicate a £235k underspend at year-end on core programme costs.

LGA - MANAGEMENT PACK							As at Period 5	
Description	Year to date			Full year			Aug 12	
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast	Budget to	RAG Status	
	2012/13 £s	2012/13 £s	2012/13 £s	2012/13 £s	Outturn 2012/13 £s	Outturn 2012/13 £s		
INCOME:							Commentary	
Subscription Income (Net of discounts)	4,062,500	4,205,320	(142,820)	9,750,000	9,750,000	0	The variance is due to the subscription discounts being received in P1 and not projected across the year.	G
RSG Income	10,708,485	10,767,596	(59,111)	25,700,000	25,700,000	0	The variance is due to IDEa payment of RSG to the WLGA, this will be smoothed out in P6.	G
Welsh RSG Income	134,585	165,835	(31,250)	323,000	323,000	0	Top slice RSG from IDEa received.	G
Income from Direct Services	851,100	1,259,798	(408,698)	2,826,116	2,583,116	243,000	The variance mainly due to high level income for the conference at the start of the year. Shortfalls are for Public Affairs £50k, Khub £100k ESD Toolkit £33k and Peer challenges £60k.	A
Shared Services - 3rd Party Income	449,335	489,080	(39,745)	1,078,406	1,078,406	0	Broadly on target - variance due to timing difference.	G
Rental Income	1,220,765	401,328	819,437	2,929,836	2,929,836	0	External income from Layden House on target. Internal re-charges for LGH yet to be invoiced.	G
Other Income	267,125	317,121	(49,996)	641,104	641,104	0	The variance is due to investment income and unrealised accruals from 2011/12.	G
Secundee Recharges	(44,020)	(58,057)	14,037	0	0	0	The variance is due to timing on invoicing	G
Geoplace dividend	0	0	0	0	0	0		G
Total Core Income	17,649,875	17,548,021	101,854	43,248,462	43,005,462	243,000		
EXPENDITURE:	£s	£s	£s	£s	£s	£s		
Core Employee Costs	6,395,700	6,632,114	(236,414)	15,349,641	15,585,641	(236,000)	The variance and projected over spend is mainly due to redundancy and settlement payments £360k, projecting an underspend of £124k on core salaries.	G
Programme Costs	3,992,575	2,325,967	1,666,608	11,270,796	11,090,796	180,000	Projected programme under spends - £135k Policy & Development, £50k Political support, £50k Strategy & Communications. This is offset by £55k unexpected legal cost for Negotiations; to be confirmed at mid year review.	G
Liberata Contract	3,375,370	3,451,052	(75,682)	8,100,897	7,911,897	189,000	Variance due to a timing difference, Saving anticipated following benchmark review	A
Other running costs	587,225	1,782,384	(1,195,159)	1,213,820	1,103,820	110,000	YTD variance due to mortgage payment paid for Layden House not yet transferred to property company.	A
Property Costs	1,637,720	4,212	1,633,508	3,930,527	3,930,527	0	YTD variance is due to utility bills not yet paid within the property companies.	G
Pensions - Past employees	387,915	531,724	(143,809)	931,000	931,000	0	The in-year variance is due to timing with pension invoices, this will be on-line at year end	G
Pension Deficits Reduction Payments	1,553,165	1,227,303	325,862	3,727,600	3,727,600	0	Variance due to accruals from 2011/12 not yet realised	G
Total Core Expenditure	17,929,670	15,954,757	1,974,913	44,524,281	44,281,281	243,000		
NET CORE POSITION Surplus (Deficit)	(279,795)	1,593,264	(1,873,059)	(1,275,819)	(1,275,819)	0		
Ring Fenced income	6,899,200	9,006,186	(2,106,986)	16,511,485	16,511,485	0	The variance due to 2011/12 carry forwards and grants paid in advance .	G
Ring-fenced expenditure	8,907,221	7,111,160	1,796,061	15,130,017	15,130,017	0	Programme spend below budget: £1.8m Policy & Development and £117k Leadership & Productivity.	G
Net Ring Fenced Position	(2,008,021)	1,895,026	(3,903,047)	1,381,468	1,381,468	0		
NET LGA POSITION Surplus (Deficit)	(2,287,816)	3,488,290	(5,776,106)	105,649	105,649	0		

Appendix C

LGA Corporate Health Indicators

Corporate Indicator

Membership	March 2011	March 2012	June 2012	Sept 2012	Target 2012/13
Total membership	419	422	424	423	Maintain or increase
Number of councils out of membership	7	4	2	2	Reduce
Number of councils on notice to withdraw	31	34	30	30	Reduce
% subscriptions collected	100%	100%	88%	100%	100%

Financial sustainability	March 2011	March 2012	June 2012	Sept 2012	Target 2012/13
Number of employees in agreed core posts	436	253	259	260	Maintain in line with agreed core posts
Number of employees in posts with additional funding	45	38	26	25	
Employees – total headcount	481	291	285	285	
FTE	(456.43)	(281.41)	(272.27)	(272.41)	

Debtors	March 2011	March 2012 £000	June 2012 £000	Sept 2012 £000	Target March 2013
0-2 months	56%	79%	34%	87%	80%
3-12 months	10%	9%	58%	6%	20%
13-24 months	14%	3%	3%	3%	0%
Over 24 months	20%	9%	5%	4%	0%
Total	100%	100% (1,860)	100% (2,659)	100% (1,624)	100%

Shared services customer satisfaction survey	November 2010	November 2011	June 2012	Sept 2012	Target November 2012
HR and Payroll	66%	78%			80%
Finance and accounting	72%	70%			80%
ICT	58%	45%	Report Nov 2012	Report Nov 2012	80%
FM	80%	85%			90%
Print and design	68%	89%			90%
Overall	61%	54%			80%

People management	March 2011	March 2012	June 2012	Sept 2012	Target 2012/13
Average annual sick days per employee (Public sector average 9.6 days; local government average 10.3 days)	4.6	4.5	3.5	3.1	4 days
BAME employees % of the workforce	18%	15.7%	16.4%	16.8%	
BAME - proportion of employees Grade 8 and above	5%	10.3%	13.7%	14.3%	Increase % of BAME employees grade 8+ in line with overall representation in the workforce – 15.7%

Employee engagement survey - % of employees	Survey July 2009	March 2012	June 2012	Sept 2012	Target 2012/13
Satisfied with their job	79%	65%			Improve in all areas
Good place to work	66%	49%			
Kept well-informed	80%	71%			
Line manager helps them achieve their potential	61%	65%	Survey in 2013	Survey in 2013	
Organisation is committed to equality and diversity in its services	69%	58%			
Organisation is committed to equality and diversity in its employment practices	66%	71%			

Carbon emissions reduce % from 2007/2008 baseline of 1,450 CO2 tonnes	March 2011	March 2012	June 2012	Sept 2012	Target March 2013
	1,373	1,155	Report in March 2013	Report in March 2013	1,363
	-5%	-20%			-6%

LGA Strategic Risk Register – Summary Updated 1 October 2012

Ref	Type	Description	Last quarter score	This quarter score	Movement	Review date
EXTERNAL						
S1	Impact/delivery	The LGA is not effective in achieving its vision for local government	12	12	↔	January 2013
S2	Membership	LGA membership reduces to the point where the LGA loses legitimacy as the voice for the sector	12	5	↓	January 2013
INTERNAL						
S3	Financial Sustainability	The LGA is not financially viable	9	12	↑	April 2013
S4	Shared Services contract	The LGA's outsourced shared services are not delivered to an acceptable standard and overhead costs do not reduce in line with the overall size of the organisation	20	20	↔	October 2012
S5	People Management	The people who work at the LGA do not have the skills and capability to deliver the LGA's objectives.	9	9	↔	January 2012

Symbols ↔ ↑ ↓

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date TBC
S1	<p>Impact/delivery</p> <p>The LGA is not effective in achieving its vision for local government:</p> <ul style="list-style-type: none"> - Public Service Reform - Growth and Prosperity - Local Government Funding - Efficiency and Productivity - Sector-led Improvement 	<p>Cause</p> <ul style="list-style-type: none"> - Lack of focus and prioritisation - Not active on the big issues - Failure to deliver lobbying objectives - Support to councils is not valued <p>Effect</p> <ul style="list-style-type: none"> - Loss of membership – see below - Lack of credibility with government - RSG and other funding not renewed 	<p>4 5</p>	<ul style="list-style-type: none"> - Clear priorities agreed with members through the business planning process - Comprehensive governance arrangements in place to ensure clear cross-party support for the LGA's lobbying objectives - Public Affairs function to monitor political change - More focused and clearer business plan to drive priorities <p>Sources of assurance – quarterly performance reporting; regular reports to Executive, Leadership Board and LGA Boards</p>	<p>4 3</p>	<ul style="list-style-type: none"> - Focused campaigns – 2012-13 campaigns agreed and getting underway - Business planning process for 2013/14 - now underway - Boards to drive the delivery of the LGA's top priorities – November meetings - New appointments to the senior management team – Director of Comms and Executive Director now in post, Executive Director Finance and Policy underway 	<p>Hd of Comms</p> <p>Hd of Business Development</p> <p>Hds of Programmes</p> <p>Chief Executive</p>

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S2	<p>Membership</p> <p>LGA membership reduces to the point where the LGA loses legitimacy as the voice for the sector</p>	<p>Causes</p> <ul style="list-style-type: none"> - General financial pressures on councils - LGA not see to provide value for money <p>Effect</p> <ul style="list-style-type: none"> - LGA loses legitimacy as the voice for the sector - Local government becomes more fragmented in its engagement with government 	<p>5 3</p>	<ul style="list-style-type: none"> - Member benefits identified and communicated in bespoke letter sent to all councillors - Active engagement with councils on notice to withdraw membership - LGA subs strategy has taken account of general financial climate for councils, with a view to winning their support - LGA achievements communicated regularly through the Chairman's bulletin, First magazine, email bulletins, etc - Regular meetings held with local government regional bodies - Transparency of key data with publication of contracts, supplier payments, expenses <p>Source of assurance – ongoing monitoring and publishing of membership changes</p> <p>KPI – Total membership and members on notice to withdraw</p>	<p>5 1</p>	<ul style="list-style-type: none"> - New Communications strategy for the LGA - Recommendations implemented from member scrutiny review of the LGA's offer – report to October Leadership Board - Improve the LGA's collection of customer contact information – consider as part of ICT strategy Dec 2013 - Loyalty discount to be considered for subscriptions from 2013/14 – to be considered at Resources Panel October 2012 	<p>Head of Comms</p> <p>Head of Comms</p> <p>Head of Business Development</p> <p>Director of Finance and Resources</p>

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S3	Financial sustainability The LGA is not financially viable.	Causes - Membership withdrawal - RSG funding reduction - Loss of government grants and contracts - Pension liabilities not fully funded - Overheads do not reduce in line with reductions in income – see below - Pension liabilities crystallise as employee numbers reduce in the individual companies Effects - Significant reduction in size – not able to provide core services - Significantly increased pension costs in future years - Going concern issues	5 3 5 = high	<ul style="list-style-type: none"> - Effective budget planning and management - Current pension contributions take account of latest actuarial valuations to reduce deficit - Increased payment in accordance with revised deficit reduction arrangements - Number of employees and pension risk in each company and the LGA kept under active review - Financial strategy regularly reviewed by Resources Panel <p>Source of assurance – monthly management accounts</p> <p>KPI – Total headcount KPI – Debtors</p>	4 3 5 = high	<ul style="list-style-type: none"> - Review of the LGA's Pensions strategy – paper to Oct Resources Panel - Explore options to transfer employees between pension funds – in progress - Preliminary work to secure RSG topslice from 2015/16 – scenario planning by Dec 2012 - Zero-base review of budget - Apr-June 2013 	Dir of Finance and Resources Dir of Finance and Resources Head of Business Development SMT with Head of Business Development

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S4	<p>Shared services contract</p> <p>The LGA's outsourced shared services are not delivered to an acceptable standard; overhead costs do not reduce in line with the overall size of the organisation</p>	<p>Causes</p> <ul style="list-style-type: none"> - Unforeseen event triggers contract failure. - Contract not fit-for-purpose. - Ineffective client side - Lack of service availability - Quality and performance of service delivery fails to meet client's standards - Contract re-negotiation does not achieve required reduction in overheads <p>Effects</p> <ul style="list-style-type: none"> - Business support requirements not met – we are not able to deliver our services effectively - Inability to make cost reductions. - Negative impact on reputation, particularly with membership - Inability to make changes - Customer dissatisfaction 	<p>4 5</p>	<ul style="list-style-type: none"> - Governance arrangements in place – Programme Board, Contract Management Board, Contract manager - Liberata performance against KPIs monitored - Client-side team review day-to-day performance on the contract - Annual customer surveys - Exit management plan in place should the contract terminate - Volumetric price reduction implemented - Benchmarking review completed – CCN issued to secure price reduction - ICT client-side strengthened and ICT strategy developed <p>Source of assurance – monthly reporting and review of Liberata KPIs at Contract Management Board</p> <p>KPI – Liberata customer satisfaction survey</p>	<p>4 5</p>	<ul style="list-style-type: none"> - Contract renegotiation to achieve efficiencies – Options Appraisal to be considered by Resources Panel, Oct 2013 	Dir of Finance and Resources

Risk Matrix - the following chart shows where, and what colour the risk will fall in to dependent on the scores. Red being the most severe and green being the least. The scores within the chart are multiples of the likelihood and impact,

For example (Likelihood of) **3** x (Impact of) **4** = (Risk score of) **12**

		Projected likelihood		
		Low (1)	Medium (3)	High (5)
Potential impact	X			
	Very high (5)	manage and monitor - 5	urgent focus and action - 15	immediate focus and action - 25
	High (4)	management effort worthwhile - 4	manage and monitor - 12	significant focus and action - 20
	Medium (3)	accept but monitor - 3	management effort worthwhile - 9	manage and monitor - 15
	Low (1)	accept but monitor - 1	accept but periodically review - 3	accept but monitor - 5

What the colours mean (as a guide):

- Red - Urgent actions required to reduce ratings **15 – 25 points**
- Amber - Actions required to manage and monitor ratings **12 points**
- Yellow - Actions required to monitor ratings **4 – 9 points**
- Green - Actions required to maintain ratings **1 – 3 points**