

LG Group Business Plan 2011-12

Purpose of report

For decision

Summary

This paper presents the LG Group's business plan for 2011/12.

Recommendation

Members are asked to agree the 2011/12 business plan for the LG Group.

Action

The LG Group Chief Executive to develop programme plans and the annual budget for the Group, to supplement the 2011/12 business plan over the coming weeks, and for this to be presented to LG Group Executive for final sign-off in March before the start of the new financial year

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LG Group Business Plan

Background

1. As part of the *Getting Closer* change programme, for each of the last two years the Executive has established one set of politically directed priorities for the Group in the LG Group business plan. This is central to achieving the core objectives of *Getting Closer* agreed by members in 2009:
 - 1.1 Councils should have more influence over LG Group priorities and feel more connected
 - 1.2 Strong, co-ordinated political direction of the Group, to ensure priorities are based on the changing needs of councils and that resources across the Group are allocated to these priorities
 - 1.3 Better coordination and elimination of duplication across the Group, to deliver greater value for money to councils.
2. At its meeting in November, Executive agreed high level priorities for the LG Group, which have been used as the basis of the 2011/12 business plan, now presented here for decision. The new organisational arrangements for the Group, which are currently being consulted on with employees and which were presented to Executive in December, are designed to deliver this strategy, taking account also of the significantly reduced funding base of the LG Group.

Next steps

3. This is primarily an internal document which will be used to communicate the future direction of the LG Group to employees as part of the consultation on the new organisational arrangements.
4. The 2011/12 business plan will also provide the basis for our external messaging to councils and other stakeholders on our future direction over the coming months.
5. Once it has been agreed, the business plan will inform discussions on priorities at the Group programme boards which will develop their programme plans over the coming weeks. This supplementary information to the business plan will be presented to the LG Group Executive in March along with the LG Group budget for final sign-off.

Item 3

6. The aim is for the Group business plan and budget to reflect an integrated approach to managing the LG Group. Given that the company structure of the central bodies is likely to be retained in 2011/12, the business plans and budgets of the individual organisations will still need to be drawn up for governance purposes to demonstrate clear accountability to the individual company boards and the LGA Resources Panel. These individual business plans and budgets will in effect be sub-sets of the Group business plan and budget.

Financial Implications

7. The LG Group faces a significant reduction in its funding base in 2011/12 as a result of lower subscriptions, lower RSG top-slice and fewer grant-funded programmes. This is taken account of both in the business plan presented here and in the organisational proposals which staff are currently being consulted on. Work is currently underway on a detailed budget for 2011/12 and this will be presented to the LG Group Executive for decision in March, in advance of the financial year, once the consultation on the new structure has closed.