

Full year performance report - 2011/12

Purpose of report

For review.

Summary

This report reviews the LGA's performance in delivering the priorities in the 2011-12 business plan.

Recommendation

The LGA Leadership Board is asked to review the twelve month performance report on delivery against the 2011/12 business plan.

Action

To inform delivery of the 2012/13 business plan and performance management in the year ahead.

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Full-year performance report - 2011/12

Background

1. The annual business plan for 2011/12 for the LGA was agreed by the LGA Executive in January 2011, and confirmed at its May meeting along with final approval of the LGA's budget for the year.
2. The following framework was agreed for reporting back on progress in achieving the business plan:
 - 2.1 **A progress report on each of the programme plans** set out in the business plan.
 - 2.2 A report on performance against **a suite of Corporate Health Indicators**.
 - 2.3 A report on the **financial performance of the LGA**.
4. The six month and twelve month performance reports have both been reviewed by the LGA's Audit and Scrutiny Panel, and the twelve month performance report is now presented here for review.
5. As well as covering the information set out in paragraph 2 above, we have taken this opportunity to include the Chief Executive's annual report from the audited consolidated accounts which provides an overview of the LGA's achievements over the past year. The full performance report is therefore included as a separate **Annex** to this cover paper.

Delivery of LGA programmes

6. A summary of delivery against each of the objectives in the 2011/12 business plan is included at **Appendix A** of the performance report. This sets out, for each objective, what has been delivered and the LGA's impact. A standard traffic light rating has been applied as follows:

G	Outcome achieved
A	Progress made towards achieving outcome but work still underway
R	Limited progress towards achieving outcome

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7. Overall, the assessment is that of the 76 objectives in the business plan, 39 have been achieved (assessed as “green”) with the remaining 37 objectives being assessed as “amber”. The Strategic Management Team has reviewed the traffic light report and come to the view that this overall assessment is a reasonable one given the considerable change and upheaval for the LGA over the past year. On the one hand, the absence of any red traffic lights indicates that work has progressed in relation to each of the priorities in the business plan. On the other hand, the fact that nearly half the objectives are assessed as being “amber” indicates that managers are being realistic about the progress made.
8. The performance framework has been further developed for 2012/13 to ensure there is clear reporting of achievement against the objectives set out in the business plan for the new financial year. This will form the basis of the first quarterly performance report for 2012/13, which will include, as now, the Corporate Health Indicators and a report on financial performance, as well as the Strategic Risk Register. This will be presented to LGA Leadership Board in July.

Corporate Health Indicators

9. The twelve month report on the LGA’s Corporate Health Indicators is presented at **Appendix B**. The format of this report has been amended to bring it in line with the Corporate Indicators set out in the 2012-13 business plan so that we are clear about the targets we are working to in the current year.
10. Key issues are:
 - 10.1 The number of authorities in membership has increased by 3. The number of councils on notice to withdraw however is at the same level as a year ago and this will continue to be actively managed over the course of the year ahead to ensure that membership levels are maintained.
 - 10.2 Total headcount has fallen significantly following the restructuring exercise, in line with the reduction in core funding.
 - 10.3 Debtor balances continue to fall, reflecting the increased effort being put into credit control across the LGA. In particular the proportion of debt over 12 months old has fallen significantly over the last year, although there is further work to do to reach our target of having no debt over 12 months old by March 2013.
 - 10.4 The Liberata customer satisfaction survey shows significantly reduced levels of satisfaction with the ICT service – 45% reporting that they are satisfied with the service in November 2011, compared with 58% the previous year. In response to concerns about laptop performance in particular, Liberata has undertaken a comprehensive laptop refresh

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programme since December 2011 and the number of reported faults is reducing as a result.

- 10.5 Average annual sickness has reduced slightly at 4.2 days per employee. We will continue to monitor sickness and alert managers to specific sickness issues with members of their teams. The Strategic Management Team's view is that we should set ourselves a more challenging target in this area.
- 10.6 BME employees continue to be underrepresented at senior levels in the organisation.
- 10.7 The reduction in energy use is due in part to the fact that Layden House was not fully occupied during the year, as we moved to letting it out to external tenants.
- 10.8 The employee survey shows a general dip in morale and employee satisfaction since the last survey in 2009. The assessment is that this is to be expected given the uncertainties and fundamental changes experienced by many members of staff over the last year. Significant action is being taken to address this issue with an increased focus on learning and development opportunities in particular.

Financial Performance

11. The financial results presented in the audited consolidated accounts, indicate that the LGA and its associated organisations managed within their resources in 2011-12, in spite of the significant reduction in core funding that took effect from 1 April 2011. Costs were reduced, allowing each body to make a significant payment towards its pension fund deficit and meeting the severance costs paid in 2011-12, without need to draw on reserves.
12. A full assessment of the LGA's financial performance is included at **Appendix C** of the performance report.

Conclusion and next steps

13. Members of Leadership Board are invited to comment on the LGA's overall performance in 2011/12.