

# LGA Leadership Board

## Agenda

Wednesday, 2 March 2016  
2.00 pm

Smith Square 1&2, Ground Floor, Local  
Government House, Smith Square, London,  
SW1P 3HZ

**To:** Members of the LGA Leadership Board  
**cc:** Named officers for briefing purposes

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DO NOT STOP TO COLLECT PERSONAL BELONGINGS.

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**Please don't forget to sign out at reception and return your badge when you depart.**

LGA Leadership Board  
2 March 2016

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There will be a meeting of the LGA Leadership Board at **2.00 pm on Wednesday, 2 March 2016**  
Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

**Attendance Sheet:**

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

**Apologies:**

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

<b>Conservative:</b>	Group Office: 020 7664 3223	email: <a href="mailto:lgaconservatives@local.gov.uk">lgaconservatives@local.gov.uk</a>
<b>Labour:</b>	Group Office: 020 7664 3334	email: <a href="mailto:Labour.GroupLGA@local.gov.uk">Labour.GroupLGA@local.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224	email: <a href="mailto:independent.group@local.gov.uk">independent.group@local.gov.uk</a>
<b>Liberal Democrat:</b>	Group Office: 020 7664 3235	email: <a href="mailto:libdem@local.gov.uk">libdem@local.gov.uk</a>

**Location:**

A map showing the location of Local Government House is printed on the back cover.

**LGA Contact:**

Frances Marshall  
0207 664 3220 / [frances.marshall@local.gov.uk](mailto:frances.marshall@local.gov.uk)

**Guest WiFi in Local Government House**

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## LGA Leadership Board – Membership 2015/2016

<b>Councillor</b>	<b>Authority</b>
<b>Conservative ( 6)</b>	
Lord Gary Porter (Chairman)	South Holland District Council
Cllr David Hodge (Vice Chairman)	Surrey County Council
Cllr David Simmonds CBE (Deputy Chairman)	Hillingdon London Borough Council
Cllr Philippa Roe (Deputy Chairman)	Westminster City Council
Cllr Peter Fleming OBE (Deputy Chairman)	Sevenoaks District Council
Cllr Sean Anstee (Deputy Chairman)	Trafford Metropolitan Borough Council
<b>Labour ( 6)</b>	
Cllr Nick Forbes (Vice-Chair)	Newcastle upon Tyne City Council
Cllr Sharon Taylor OBE (Deputy Chair)	Stevenage Borough Council
Mayor Sir Steve Bullock (Deputy Chair)	Lewisham London Borough Council
Cllr Keith Wakefield OBE (Deputy Chair)	Leeds City Council
Cllr Anne Western (Deputy Chair)	Derbyshire County Council
Cllr Sue Murphy CBE (Deputy Chair)	Manchester City Council
<b>Independent ( 2)</b>	
Cllr Marianne Overton MBE (Vice-Chair)	Lincolnshire County Council
Cllr Peter Reeve (Deputy Chair)	Cambridgeshire County Council
<b>Liberal Democrat ( 2)</b>	
Cllr Gerald Vernon-Jackson (Vice-Chair)	Portsmouth City Council
Mayor Dorothy Thornhill MBE (Deputy Chair)	Watford Borough Council

## LGA Leadership Board – Attendance 2015/2016

	15/7/15	16/9/15	21/10/15	10/12/15	20/01/16
<b>Councillors</b>					
<b>Conservative</b>					
Lord Gary Porter	Yes	Yes	Yes	Yes	Yes
David Hodge	Yes	Yes	Yes	Yes	Yes
David Simmonds CBE	No	Yes	Yes	Yes	Yes
Philippa Roe	No	Yes	No	No	Yes
Peter Fleming OBE	Yes	Yes	Yes	Yes	Yes
Sean Anstee	Via video	Via video	Yes	Yes	No
<b>Labour</b>					
Jim McMahon OBE	Via video	Yes	Yes	No	N/a
Mayor Sir Steve Bullock	No	Yes	Yes	Yes	Yes
Sharon Taylor OBE	Yes	Yes	Yes	Yes	Yes
Keith Wakefield OBE	Yes	No	Yes	Yes	Yes
Nick Forbes	No	Yes	Yes	Yes	Yes
Anne Western	No	Yes	No	Yes	Yes
<b>Independent</b>					
Marianne Overton MBE	Yes	Yes	Yes	Yes	Yes
Peter Reeve	Yes	Yes	Yes	No	Yes
<b>Liberal Democrat</b>					
Gerald Vernon-Jackson	No	Yes	Yes	Yes	Yes
Mayor Dorothy Thornhill MBE	Yes	Yes	Yes	Yes	Yes
<b>Observer / In attendance</b>					
Tony Jackson		Yes			
Jacqui McKinlay		Yes			
Peter Box			Yes		
Izzi Seccombe			Yes		
Sir Richard Leese CBE				Yes	
Mark Hawthorne MBE				Yes	

## Agenda

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### LGA Leadership Board

Wednesday 2 March 2016

2.00 pm

Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

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**Date of Next Meeting:** Wednesday, 6 April 2016, 2.00 pm, Smith Square 1&2,  
Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ





## EU Referendum

### Purpose of report

For information.

### Summary

The LGA Political Groups have agreed the following statement on the LGA's position with regards to the EU Referendum.

*The referendum to decide on the UK's future membership of the European Union has been called for [23 June 2016](#).*

*There is a diversity of views among local government about Britain's EU membership. To reflect this, the LGA will remain neutral during the referendum campaign. In their official capacity, LGA spokespeople will also remain neutral in public and press statements.*

### Recommendation

That the LGA Leadership Board note the LGA's agreed statement on the EU referendum.

### Action

As directed by Members.

**Contact officer:** Ian Hughes  
**Position:** Head of Policy: Place  
**Phone no:** 0207 664 3101  
**E-mail:** [ian.huges@local.gov.uk](mailto:ian.huges@local.gov.uk)



## **LGA Perceptions Survey 2015/2016**

### **Purpose of report**

For direction.

### **Summary**

This report provide members of the LGA Leadership Board with a summary of the findings from our annual perceptions survey of our membership.

A full detailed report will be available [here](#) shortly.

### **Recommendations**

That the LGA Leadership Board:

- i. notes the results of the 2015/2016 perceptions survey; and
- ii. agrees to continue with an annual perceptions survey of councils.

### **Action**

As directed by Members.

**Contact officer:** David Holdstock  
**Position:** Director of Communications  
**Phone no:** 020 7664 3056  
**E-mail:** [David.Holdstock@local.gov.uk](mailto:David.Holdstock@local.gov.uk)

## **LGA Perceptions Survey 2015/2016**

### **Introduction**

1. This is the fourth consecutive year we have undertaken a perceptions survey of our membership. This comprehensive, cross-cutting research provides us with a benchmark to inform future work and gives us a good understanding of the current views of member authorities. In addition, it helps us to better understand their views on the benefits of membership, their priorities, sector-led improvement, how well informed they feel about our work and areas for improvement.
2. Following last year's report to Leadership Board, a number of actions were put in place as part of an agreed action plan. These included a further review of membership packs, regular briefings for Principal Advisors for use during visits to councils and work to update the website and e-bulletins. We have also made improvements in our digital communications, to include more use of tools such as film and infographics and the use of 'hubs' such as our Devo Hub have been very popular. In addition, put in place more detailed monitoring of use of our website and other digital media channels to help us better understand our key audiences and target our communications activity.
3. The Group Offices have continued to support our overall membership offer through their work with members and improvement teams have further developed our offer to include, as well as corporate support, bespoke support on issues such as finance, children's services and communications.
4. Our programme of visits to councils, at both senior political and managerial levels has also supported our work around awareness raising of the work we undertake with and on behalf of councils.

### **Summary**

5. Overall, the results show that we have continued the trajectory of improvements made since 2012. Respondents remain satisfied with the work we undertake on their behalf, believe we are influential in shaping the agenda for local government and feel we are effective at representing the views of our members.
6. They also agree that we address the issues that are important to councils and that we are an effective advocate for the interests of local government.
7. As in previous years, there are some variations, depending on specific job roles. Council leaders and chief executives are more likely to 'know a great deal' about our work and front-line councillors are more likely to have 'the least knowledge of the LGA'. This impacts directly on views about our effectiveness – the more informed, the more likely a respondent is to be satisfied with the work we undertake on behalf of local government.

8. Of the services we provide those identified as most useful were our role in providing up-to-date information about local government, lobbying on behalf of local government, providing a single voice for local government and providing support for sector-led improvement.
9. Both councillors and officers continue to feel we keep them well informed. This year has seen a further increase in those who feel we keep them well informed (**up from 79 per cent in 2014/2015 to 83 per cent in 2015/2016**). As set out previously, there are strong links between feeling informed and overall satisfaction.
10. The main method of communication from which respondents get their information continues to be First magazine; followed by media work, our website, conferences and events, and publications (such as '100 Days').
11. Nearly two-thirds (**62 per cent**) of people have heard of our *A Shared Commitment* campaign.
12. This year has seen another small increase in those who feel we offer value for money for the funding we receive (**56 per cent** which is significantly more than the 43 per cent in 2012). This is an area that councils themselves find challenging and it remains an area which requires more work to demonstrate our effectiveness to member councils.
13. At **81 per cent** there has also been an increase in those who think that the LGA understands what councils need to help them improve their services and organisational capacity.
14. We repeated the series of questions about the Centre for Public Scrutiny (CfPS) and Local Partnerships. Around half of the respondents have heard of the Centre for Public Scrutiny (**52 per cent**) and Local Partnerships (**50 per cent**, although this is a decrease from 58 per cent in 2014). Of those who had used the services, **82 per cent** were satisfied with CfPS (significantly greater than 77 per cent in 2014) and **79 per cent** with Local Partnerships (significantly greater than 71 per cent in 2014).

**Table 1: Key findings**

Question	2012	2013	2014	2015	2014 to 2015 % point change
I would speak positively about the LGA	63%	73%	72%	74%	+2%
Satisfied with the work of the LGA on behalf of the local government sector	62%	70%	75%	76%	+1%
The LGA demonstrates value for money for the funding it receives	43%	53%	53%	56%	+3%
The LGA is influential in shaping the agenda for local government	62%	68%	72%	71%	-1%

Question	2012	2013	2014	2015	2014 to 2015 % point change
The LGA effectively represents the views of its members to central government	69%	77%	78%	<b>77%</b>	<b>-1%</b>
The LGA stands up for and defends the reputation of local government	N/A	85%	88%	<b>86%</b>	<b>-2%</b>
The LGA addresses the issues that are important to councils,	79%	83%	84%	<b>86%</b>	<b>+2%</b>
The LGA is transparent and accountable to its members	58%	66%	67%	<b>69%</b>	<b>+2%</b>
The LGA understands what councils need to help them improve their services and organisational capacity	68%	77%	78%	<b>81%</b>	<b>+3%</b>
How well informed do you feel about the work of the LGA	69%	77%	79%	<b>83%</b>	<b>+4%</b>

15. There continues to be a high level of satisfaction with the work we undertake on behalf of local government (**76 per cent**) and a high proportion of respondents (**74 per cent**) continue to say they would speak positively about the LGA.

16. In terms of advocacy for the sector, the majority of respondents (**85 per cent**) continue to believe we are an effective advocate for the sector; with those responding 'a great deal' significantly increasing from 23 per cent in 2014 to 28 per cent in 2015.

17. Respondents rated the following activities as '*very or fairly useful*':

- 17.1. Providing up-to-date information about local government (**93 per cent**) – a significant increase from 88 per cent in 2014
- 17.2. Lobbying on behalf of local government (**90 per cent**)
- 17.3. Providing a single voice for local government (**88 per cent**)
- 17.4. Providing support for sector led improvement (**85 per cent**)
- 17.5. Providing conferences and events (**85 per cent**) – a significant increase from 77 per cent in 2014

18. There are some regional variations in responses to individual questions but across the full range of questions the findings are fairly consistent in all parts of the country. By role, officers are most likely to find LGA activities to be useful.

### Sector-led improvement

19. There continues to be some variations in awareness of our sector-led improvement offer, which is understandable when thinking about the commissioners of this work. However, our focus on promotion of our sector-led improvement offer has had some impact. Whilst on average **51 per cent** have heard about sector-led improvement (a significant increase from 42 per cent last

- year), **ninety three per cent** of **chief executives** have heard a lot/moderate amount about it (significantly higher than 83 per cent in 2014).
20. The number of officers who have 'heard a lot' about sector-led improvement stands at **49 per cent**. However, front-line councillors are still the most likely group to know 'little or nothing' about sector-led improvement (**66 per cent**).
21. Nearly three quarters (**71 per cent**) of respondents agree that sector-led improvement is the right approach in the current context. This is significantly greater than last year (63 per cent).
22. **Officers** and **councillors in executive positions** are more likely than front-line councillors to agree that sector-led improvement is the right approach in the current context (**84 per cent** and 68 per cent compared to 64 per cent). However, agreement amongst front-line councillors has significantly increased since 2014 (**54 per cent**).
23. Of the support and resources offered by the LGA for sector-led improvement that the respondents had heard of, the following were rated as '*very or fairly useful*':
- 23.1. Access to good practice to help authorities learn from others (**94 per cent**)
- 23.2. Peer challenges to provide an external view on performance (**93 per cent**)
- 23.3. Supporting, coaching and mentoring for members and officers by their peers (**91 per cent**)

## **Objectives**

24. This research was undertaken to:
- 24.1. Quantify member authorities' understanding of the LGA and what the LGA currently offers. This includes levels and channels of awareness, understanding of functions perceived to be part of the LGA's remit, and how effective the LGA is seen at fulfilling these functions.
- 24.2. Investigate what our members want from the LGA and how they want to engage. This aspect provides feedback on a strategic level in terms of the organisation's role and responsibilities but also on a tactical level in terms of formats and channels preferred.
- 24.3. Assess levels of awareness/views of sector-led improvement within local government, and views on support offered by the LGA. The research identifies areas where we might enhance its support in this area, by investigating the membership's preferences and experiences of support, the impact that such support and the resources we provide to support sector-led improvement.
- 24.4. Compare with the results of the 2012, 2013 and 2014 surveys.

## **Methodology**

25. Telephone Interviews were undertaken with a sample of 835 representatives from councils across all regions. These included:

- 25.1. Council Leaders
- 25.2. Portfolio Holders
- 25.3. Chairs of Scrutiny
- 25.4. Front-line councillors
- 25.5. Chief Executives
- 25.6. Directors

26. This has given a strong, representative sample allowing detailed analysis by role and region. The sample size has a maximum standard error of +/-3.4% at the 95% level of confidence, giving these findings a high level of accuracy. Interviews took no longer than 22 minutes and explored:

- 26.1. Our offer and current provision;
- 26.2. Our current role and priorities and how these can be developed;
- 26.3. Effectiveness of our communications and preferred methods of engagement; and
- 26.4. Sector-led improvement within local government, our support offered to members and how it can be developed/improved.

## **Response rates**

27. Each year, it has been increasingly more difficult to engage members and officers to take part in the survey; lack of time available is the most frequent response. Although an annual survey allows us to take prompt action should the results show any significant issues for our member councils, Leadership Board may wish to consider moving to a biennial survey.

28. Another alternative is to conduct an annual survey using a mixed mode of research. This would supplement our existing phone polling with on-line. This has the advantage of increasing participation and improving the quality of responses, by engaging with respondents through devices that are most convenient to them.

29. As changes in methodology can result in skewed results, any impacts on results would be mitigated through a weighting process. However, if results differ significantly from previous years, there is a slight risk that this would be as a result of the change in methodology and therefore would not allow direct comparison.



**Table 2 - Respondents, by region, role and amalgamated role type**

Amalgamated role	Officers			Councillors			Regional Total
	Role	Chief Executives	Directors	Leaders	Chairs of Scrutiny	Portfolio Holders	
East	12	25	10	8	14	27	96 (11%)
East Midlands	7	14	9	9	16	45	100 (12%)
London	5	24	3	14	7	39	92 (11%)
North East	2	5	1	7	5	6	26 (3%)
North West	5	23	4	15	15	67	129 (15%)
South East	11	35	12	13	23	86	180 (22%)
South West	11	8	8	11	15	20	73 (9%)
West Midlands	11	32	4	14	11	20	92 (11%)
Yorkshire and the Humber	6	9	3	10	8	11	47 (6%)
<b>Role Total:</b>	70 (8%)	175 (21%)	54 (6%)	101 (12%)	114 (14%)	321 (38%)	835 (100%)
<b>Amalgamated role Total:</b>	245 (29%)		269 (32%)			321 (38%)	835 (100%)

### Detailed analysis of findings

30. The following gives a more detailed analysis of the key indicators in our business plan. It shows where there are significant differences between different roles and regions and highlighting significant changes from previous years.

#### Satisfaction with the work of the LGA on behalf of local government

- 30.1. **Seventy six per cent** are satisfied with our work on behalf of local government. This represents a significant increase on 2013 (70 per cent) and is in line with 2014 (75 per cent).
- 30.2. **Officers** and **frontbench councillors** continue to be satisfied with the work of the LGA (**81 per cent** of officers and **74 per cent** of frontbench councillors). There has also been a significant increase in the satisfaction amongst **backbench councillors**, increasing from 67 per cent in 2014 to **73 per cent** in 2015. By role:

- 83 per cent of portfolio holders
- 82 per cent of directors
- 80 per cent of chief executives
- 80 per cent of leaders
- 60 per cent of chairs of scrutiny

- 30.3. **Satisfaction is highest in the South West (88 per cent) and the West Midlands (85 per cent)** and lowest within Yorkshire & Humber (68 per cent).

**LGA capabilities**

- 30.4. The majority of respondents agree that we stand up for and defend the reputation of local government (**86 per cent**) and that we address the issues that are important to councils (**86 per cent**) - both in line with 2014.
- 30.5. More than three-quarters agree that 'we understand what councils need to help them improve their services and organisational capacity' (**81 per cent**); effectively represents the views of our members to central government (**77 per cent**); and help to set and drive improvement in local government (**79 per cent**). Results are in line with 2014 findings.
- 30.6. **Fifty six per cent agree that we demonstrate value for money**, which is an increase on 2013 and 2014. This is broken down by role as:

72 per cent of leaders (significant increase from 67 per cent)  
70 per cent of chief executives  
59 per cent of portfolio holders (significant increase from 46 per cent)  
57 per cent of directors (significant increase from 51 per cent),  
54 per cent of chairs of scrutiny  
50 per cent of backbench councillors

**Extent to which the LGA been an effective advocate for the interests of local government**

- 30.7. The majority of respondents (**85 per cent**) believe that the LGA has been an effective advocate for the interests of the local government sector.
- 30.8. Respondents from the **East Midlands** and the **South West** are significantly more likely to believe 'a fair amount' or 'a great deal' that the LGA has been an effective advocate for the interests of the local government sector (both at **90 per cent**). Respondents in the **North East** and **London** are least likely to believe the LGA has been an effective advocate for the interests of the local government sector 'a great deal' or a 'fair amount' (**77 per cent in the North East and 79 per cent in London** compared with a sample average of 85 per cent).
- 30.9. **Council leaders** are particularly likely to be positive about the LGA as an effective advocate for local government (**91 per cent**). **Backbench councillors** are the least likely to be positive about the LGA as an effective advocate (**24 per cent** specifying 'a great deal' compared with 28 per cent of the sample overall), although this position has improved since 2014 (17 per cent).

**Communications**

- 30.10. The majority of respondents (**83 per cent**) believe we keep them well informed, this has increased since 2014 (79 per cent), 29 per cent believe they are 'very well informed'.
- 30.11. **Leaders** and **chief executives** are particularly likely to feel 'very well informed' (**43 per cent** and **39 per cent** respectively).
- 30.12. By region, respondents in the **South West** are most likely to feel 'very and fairly well informed' (**92 per cent**).
- 30.13. As with previous years, respondents are most likely to find out about the work of the LGA through 'First' magazine (**76 per cent**). However, media work/press releases; LGA website; and events and conferences are also key channels, mentioned by at least 60 per cent of respondents.

**Detailed analysis of sector led improvement findings**

31. The following gives a more detailed analysis of the sector-led improvement questions.

Question	2012	2013	2014	2015
To what extent do you agree or disagree with the following statements about the LGA?				
The LGA helps to set and drive improvement in the local government sector.	71%	76%	77%	<b>79%</b>
I am going to read out a list of activities conducted by the LGA. For each, I would like you to tell me whether they are useful or not to your council or local government as a whole. <sup>1</sup>				
Providing support and challenge for councils to improve <sup>2</sup>	89%	91%	90%	<b>84%</b>
Providing support for sector led improvement (for example, peer challenges and mentoring, support for leadership, workforce management and productivity) <sup>3</sup>	83%	86%	82%	<b>85%</b>
Supporting and promoting councils who are trying to transform services to better support their communities. <sup>4</sup>	90%	92%	91%	<b>81%</b>
Providing a range of online tools to help sector led improvement (like LG Inform and access to Knowledge Hub (delivered by Capacity Grid)) <sup>5</sup>	69%	75%	71%	<b>71%</b>
How much, if anything, have you heard about this sector-led improvement approach?	41%	44%	42%	<b>51%</b>
To what extent do you agree or disagree with the following statement: - The approach to sector-led improvement is the right approach in the current context. <sup>6</sup>	58%	62%	63%	<b>71%</b>

<sup>1</sup> Previously: I am going to read out a list of activities conducted by the LGA. For each, I would like you to tell me whether they are important or not to your authority/council or the sector

<sup>2</sup> Previously: Providing support and challenge for 'local government self-improvement' (2012) and Providing support and challenge for 'councils to improve (2013 and 2014)

<sup>3</sup> Previously: Providing support for sector led improvement (for example, peer challenge and mentoring, support for leadership, workforce management and productivity)

<sup>4</sup> Previously: Supporting and promoting councils who are trying to transform services to better support their communities.

<sup>5</sup> Previously: Providing a range of online tools to help 'self-improvement, like Knowledge Hub and LG Inform' (2012 and 2013) and 'sector led improvement, like LG Inform and access to Knowledge Hub (delivered by Capacity Grid)' (2014)

<sup>6</sup> Previously: Please indicate whether you agree or disagree with the following statement: The approach to sector-led improvement is the right approach in the current context.

### **Helps set and drive improvement**

- 31.1. Opinion that the LGA 'helps set and drive improvement in the local government sector' has improved a little this year compared to previous years (**79 per cent** in 2015, compared with 76 per cent and 77 per cent in 2013 and 2014). At **82 per cent** and **83 per cent** respectively **officers** and **councillors in executive positions** are significantly more likely to agree than **front-line councillors (74 per cent)**.

### **Knowledge of sector led improvement**

- 31.2. There has been a significant increase in how much respondents have heard about sector-led improvement, increasing from 42 per cent in 2014 to **51 per cent** in 2015. This is highest amongst **chief executives (93 per cent)** and **directors (70 per cent)** and lowest amongst **front-line councillors (33 per cent)**.

### **The right approach**

- 31.3. When asked to what extent they agreed or disagreed that the approach to sector-led improvement is the right approach in the current context, **71 per cent** agreed, whilst question wording changed slightly it is comparable with 2014. There has been a significant increase since 2014 (63 per cent). Whilst agreement was lower amongst backbench councillors (64 per cent) there was a significant increase compared to 2014 (54 per cent).

## **Conclusions**

32. These results demonstrate that we have broadly maintained the significant improvements in satisfaction ratings achieved since 2013.
33. Satisfaction remains high in most key areas with people more likely to speak positively about the LGA and our work. Awareness of the LGA and the work we undertake remains high.
34. The issue of more fully engaging front-line councillors' remains a challenge for us. However, the overall proportion of those who 'know just a little' about the LGA and those who 'know very little' about our work continues to decrease. This is positive.
35. There was a further increase this year in those who feel we demonstrate value for money for the funding we receive. However, this is an area we will need to continue to focus on.
36. Our members continue to feel well informed and this has a significant impact on overall satisfaction results.

37. As in previous years, the services and work delivered by the LGA that are perceived to be of the most importance to respondents tend to be related to the national role the LGA has in lobbying on behalf of local government and in providing a 'national voice'.
38. There remains strong support for sector-led improvement as the main way for the sector to drive improvement. Our work over the last year to promote our sector-led offer has seen increases in awareness and overall satisfaction.

**Next steps**

39. The findings from this year's perceptions survey will be shared with the LGA Executive and staff.
40. Work is currently underway to refresh our three-year communications plan and strategy. In addition, a paper setting out our priority campaigns, based on issues highlighted by councils, is also going to Leadership Board for approval. Our sector-led improvement awareness campaign will continue to be developed so we highlight the growing improvement offer we are able to provide to councils.
41. The work to engage front-line councillors will continue to be developed to ensure all members, whether they play a leading role in their council or undertake a ward function understand the key activities and benefits of being a member of the LGA.
42. The annual review of our membership packs will continue so that we highlight the benefits of membership of the organisation.

## **LGA Budget 2016-17**

### **Purpose of report**

For decision.

### **Summary**

The Budget for 2016-17 is presented for agreement and recommendation to the LGA Executive.

The LGA's budget for 2016-17 allocates resources to enable us to deliver the priorities in next year's business plan.

### **Recommendations**

That the LGA Leadership Board:

- i. agree the LGA's budget for 2016-17 prior for recommendation to the LGA Executive; and
- ii. delegate to the Deputy Chief Executive approval to make necessary adjustments to reflect the final grant notification from the Department for Communities and Local Government.

### **Action**

Strategic Finance Manager.

**Contact officer:** Paul Brack  
**Position:** Strategic Finance Manager  
**Phone no:** 0207 187 7309  
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**DRAFT**

**LGA Budget  
2016 -17**

for Executive – 3rd March 2016

## Summary

1. A consolidated budget has been developed for the LGA, the IDeA and the LGA's property companies reflecting the full integration of the management and operations of these organisations, in line with the 2016/17 3 year Financial Strategy agreed by the Leadership Board in January.
2. In terms of annual income and expenditure the strategy assumes a gradual reduction in direct government funding of 20% over the next 3 years, a standstill for subscription fees (with no inflation increases), the maintenance of current service expenditure levels and increases in income for chargeable services to Councils and others, from commercial rents and other sources to be developed via the commercial strategy.
3. The 2016-17 budget has been driven by the strategy for the LGA and the priorities set out in the annual business plan. The business plan recognises that the high level priorities identified for the last four years are still broadly relevant for 2016-17.
4. In 2016-17 the LGA's core funding is broadly at the same level as 2015-16 apart from a decrease of £1.4m in Direct Government Grant (Ex RSG topslice) – about 4% of turnover.
5. This reduction in funding as compared with 2015/16 can be managed without adversely impacting on current staffing levels or operational budgets as a result of the significant overhead reductions in 2015/16.
6. The LGA's financial budget projections (Consolidated Summary) for the next three years are summarised at Appendix A; along with the budget for each organisation at Appendix B. Appendix C presents main risks to budget projections over the next 3 years. Appendix D shows the proposed Service Level Agreement between the LGA and the IDeA for 2016/17.

## Context

7. The economic situation has had direct consequences for the LGA's finances:
  - a reduction in RSG topslice by over 50 per cent in real terms from £41.3 million in 2010/11 to £23.4m in 2015/16.
  - councils under pressure to reduce discretionary spending - including LGA subscriptions
  - a fall in demand for directly paid for services such as conferences and leadership programmes
  - interest rates at historically low levels, reducing our earnings on cash balances.
8. Along with concerns about pressures on income and expenditure over the medium term, the LGA faces particular challenges with regard to its pension funds. As with many hundreds of organisations in the public and private sectors, the LGA and its associated company the IDeA, are operating with significant pension deficits – valued at £70m as at March 2013 following the latest triennial valuation; and at £113m in the 2014/15 financial accounts. The LGA is therefore focusing on increasing the value of its property assets – Local Government House and Layden House with a view to using the value of the properties to help offset the deficit and/or using rental income to fund additional contributions.

## **2016-17 BUDGET PROPOSALS – CONSOLIDATED SUMMARY – APPENDIX A - EXCLUDING INTERCOMPANY CHARGES**

9. The LGA budget for 2016/17 and projections for the next 2 years have been prepared on the basis of the following key assumptions:
  - Direct Government Grant (replacing RSG) of £22.0m
  - Additional new commercial income targets of £500k, rising by £500k per annum.

- Pension deficit repayments at current levels, including £1.0m for the LGA from 2017/18, because the last 3 years payments were made in a single payment in 2014/15.
  - January targets for the timescales for delivering the property redevelopments.
10. The sections below describe each budget area in the light of the significant changes driven by the 2015 Corporate Restructuring programme and the further restructuring following the integration of ex Liberata staff into Corporate Services and Communications teams. **All** of the savings identified £4.3m are shown against the Corporate Services budget. However the savings were delivered across the whole staffing budget of the LGA. In addition a change introduced during 2015/16 is that Communications service has taken over responsibility for Print and Design costs and staffing for the LGA. These ex Liberata costs were previously included in the Corporate Services budget.

## **WHAT WE DO?**

### **Finance and Policy – £5.2m (Row 1)**

11. Finance and Policy Teams support the LGA's boards to lead policy thinking and negotiate and lobby on behalf of member councils' interests with Government and a wide range of partner organisations. We argue for adequate funding and for reforms which will strengthen local government and improve public services. We provide timely and relevant information to local government. Some improvement work is delivered for councils in need of support, based on business plan priorities. These will be reviewed in light of confirmation of Direct Government Grant for 2016-17. The budget requirement for 2016/17 remains broadly level following the transfer of £150k Children's Improvement and Safeguarding activity to the Workforce, Leadership and Productivity team.

### **Workforce, Leadership & Productivity – 12.7m (Row 2)**

12. These teams provide a wide range of work to support councils through the work on sector led improvement. This includes the peer challenge programme, our political leadership programmes and our support to councils to become more efficient. In addition, it includes the work of our pay and workforce teams. The increased costs are largely due to pay awards and increments together with a transfer from Finance and Policy of £150,000 in respect of the work to support children's improvement and safeguarding.

### **Communications – £2.9m (Row 3)**

13. The Corporate Communications Service contributes to the organisation's key strategic objectives by providing professional communications support. The overall key function is to ensure local government has a strong national voice to manage local government's reputation and campaign for and on behalf of councils. In addition we work across local government to share best practice to improve the quality and standard of public sector communications. This is delivered through best practice publications, on-line resources, promoting policy guidance and delivering best practice events.
14. Our core offer is based on what our members tell us they want from the LGA and to deliver the support offer. We provide professional support through the delivery of integrated communications which is based on the corporate and board priorities.
15. In 2015/16, as part of the corporate-wide work to reduce costs and increase income, significant savings were made as part of the Liberata contract, including re-structuring and closure of the print room. Additional income was delivered through conferences and events, sponsorship and by undertaking additional paid-for work. These savings are included in the overall Central Services savings totals set out in this report.
16. Following termination of the Liberata contract, a range of services were transferred to the Communications Team. For 2016/17, staffing and other budgets have been realigned to reflect the transfer of staff into the communications team. The corporate printing budget has

also been transferred and will be managed by the team on behalf of the whole organisation, with the aim of further reducing costs.

17. In addition, this is a year (we receive the income every other year) when the organisation does not take any income from the NCAS conference, reducing our income for the year.
18. Additional budgets have been allocated to re-develop our website, which is currently not fit-for-purpose and to offset additional costs of hiring external rooms for events and conference during the refurbishment of Local Government House.

**Grants to other bodies – £1.5m (Row 4)**

19. Grants to other organisations relates support for Local Partnerships and Centre for Public Scrutiny (CfPS). These grants will funded out of DCLG Direct Grant for Improvement works on behalf of Local Government. If the grant we are seeking is lower than the amount we receive this is likely to mean further reductions in this total amount. Once we have received notification from DCLG the final contribution to the other bodies will be confirmed to them.

**Member Services –£1.4m (Row 5)**

20. The Member services team provides secretariat services to support and co-ordinate the LGA's Governance Structures. In addition, the team co-ordinate Member's Expenses, Member Services Budget and ad-hoc Constitutional Issues. Following the re-organisation in 2015/16 the budget is maintained at a similar level, despite £20k estimated extra costs arising from the additional external room bookings costs due to refurbishment at Local Government House.

**Political Group Offices – £0.9m (Row 6)**

21. The Political Offices are political arm of the organisation, providing the interface between the LGA and Council Leaders, Councillors, MPs, Members of the House of Lords and other elected representatives. The plan is to maintain the current level of support into 2016/17.

**Corporate Services - £5.8m (Row 7)**

22. In January 2015, the LGA gave Liberata 12 months' notice (as required under the contract) of its intention to terminate the contract for convenience. In addition the LGA carried out a restructuring of its own support organisation in early 2015-16. ICT services are now delivered by Brent Council via a Teckal company. Note that some part of these costs are now shown within the Communications budget at paragraph's 11-14 above.

**HOW WE FUND OUR SERVICES**

**Direct Government Grant (DGG) – £22.0m (Row 8)**

23. Over the last five years the support that had been provided through RSG has been reduced by over 50 per cent in real terms from £41.3 million in 2010/11 to £23.4m in 2015/16. Discussions are continuing with government about the grant figure for 2016/17 onwards. Our bid to government assumes a further reduction of 24% over the next four years, as follows:

<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
£21.996m	£20.592m	£19.188m	£17.784m

24. Depending on the outcome of these negotiations changes made be required to a number of budget lines currently funded by way of government grant. Clearly if the grant is less than assumed in this report then either further reductions will need to be made or increased income will need to be achieved to maintain the current levels of activity.

**Welsh RSG Income - £0.3m (Row 9)**

25. The Welsh LGA corporate subscription on behalf of Welsh councils is projected to continue at broadly the same level at £295k.

**LGA Subscriptions Income – broadly maintain at £9.4m. (Row 10)**

26. Members have agreed that the LGA’s subscriptions for 2016/17 should be based on the structure for the previous year. This means that the LGA’s subscription income will be maintained at broadly the same level as 2015/16, provided the number of councils who leave membership does not significantly increase. At the time of writing this report, 5 councils are not in membership as from 1 April 2016, and 7 councils were on notice to withdraw from 1 April 2017. Our current assessment is that most, if not all of them will continue in membership and that therefore no provision for loss of subscription income is necessary.

27. A prompt payment discount of 2.5% was agreed by members for 2011/12. A further loyalty discount of 2.5% which took effect from 2013/14 resulted in a reduction in subscription income of £400k.

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
£12.3m	£10.8m	£10.0m	£9.7m	£9.6m	£9.5m	£9.4m

28. The subscriptions budget takes account of an annual discount of £500k in recognition of a £6.2m loan from Association of Metropolitan Authorities (AMA). LGA members that were formerly members of the AMA receive a discount on their membership subscriptions of £7,965 per annum.

**Additional Commercial Income –£2.0M – (Row 11)**

29. Our investment in the Geoplace Joint Venture with Ordnance Survey is projected to provide us with a dividend of £1.5m, the same as the budget for this year, albeit lower than the £1.75 forecast distribution by Geoplace for this year. The budget for next year is based on their forecast revenues and surpluses for this financial year.

30. The budget for 2016/17 includes a target to deliver additional net income of £0.5m from new or extended income streams, e.g. Workforce, LG Inform, LG Develop and external property income streams. This will assist in the shift in our income profile away from government grant funding towards earned income.

### **Property companies**

31. The agreed strategy for the property companies is to develop the assets to provide capital growth to offset the liabilities arising from our pension funds, as well as reducing costs and / or delivering additional commercial income to maximise the level of support we deliver to our members.
32. The recommended strategy during the development of the properties is to offset the Revenue deficits against the Balance Sheet General reserves of the 2 companies. This will avoid revenue funds being diverted from the LGA and IDEA, during the development phases of each redevelopment project. The property companies will fund the projects from a combination of internal and external loans, improving the returns on the LGA's existing cash balances.

### **LGMB – £0.1m deficit – (Row 12)**

33. There will be no rental income from Layden House during 2016/17 due to the refurbishment this will be offset by reduced costs of £318k, with a net effect of £446k.
34. The major refurbishment of Layden House project is moving forward with vacant possession from April 2016. Building works are expected to start in Spring 2016.

### **LGA properties – Local Government House £1.7m deficit (Row 13)**

35. The consolidated summary excludes inter-company rents from within the group. The additional external costs in 2016/17 are driven by a combination of reduced depreciation due to changes in accounting standards (FRS102), increased interest to finance the planned development of LGH and reduced external rental income during the development from August 2016.
36. Additional costs for the company in 2016/17 include £270k for borrowing costs, and £285k for other running costs.

### **Grants and Ring-fenced funding – £0.9m (Row 14)**

37. The LGA continue to attract successful funding for other programmes. These schemes are an important source of income. Contracted schemes for 2015/16 are expected to be £13.9m, delivering a contribution to overheads of £1.35m. For 2016/17 the most significant grants are expected to be:
  - Care & Health Programmes (£4.9m)
  - Planning Advisory Service (£1.0m)
  - One Public Estate (0.4m)
  - Amenity Assets (£0.1m)
38. Known levels of Grant income for 2016/17 has decreased compared with 2015/16 by £1m, with a requirement to reduce direct costs, reducing the shown contribution to overheads.
39. Other ring-fenced activity will be undertaken by the LGA on a cost–recovery basis, including the action on Property Searches and the Pensions Secretariat.

### **Additional pension contributions – £2.6m (Row 16)**

40. The increase in additional annual pension contributions is due the agreed schedule of payment due to Camden Pension Fund for 2016-17.
41. Additional pension payments of £1.0m are also made in respect of unfunded pension liabilities for former employees. (The LGA's practice in recent years has been to ensure that pension liabilities are fully funded for all departing employees.). These costs are included in Corporate overhead costs in Row 7 of the consolidated summary.

**Contribution to Specific Reserves - £1.8m (Row 17)**

42. As a result of the measures taken to secure organisational and overhead savings within 2015/16, the LGA has a short term opportunity to use these savings to allocate to a specific reserve to provide opportunities to invest to save costs or generate additional commercial income, and also to cover the potential risks to the plan outlined in the LGA Financial Strategy (See Appendix C for more detail). This amount represents the current budget for a surplus from the 2 operating entities in the group of the LGA and IDEA.

**Contribution from General Reserves - £2.2m (Row 18)**

43. This represents the revenue deficits arising during the redevelopment projects, which will result in a drawing from the property company reserves.

**2016-17 BUDGET PROPOSALS – PROJECTIONS 2017-18 AND 2018-19**

44. The Consolidation Summary report also includes high level projections for the next 2 financial years based on the assumptions within the latest Financial Strategy. What is not included at this stage is:

- Reduction in work programmes to reflect lower levels of Direct Grant
- Utilisation of property company trading surpluses to support LGA and IDEA service delivery
- Any allowance for the occurrence of the potential risks identified in the latest Financial Strategy at Appendix C to this report for information.

45. It is also worth noting that the projections for 2017/18 and 2018/19 include potential tax payments that may arise out of surpluses from profits arising from the development of Layden House.

**2016-17 BUDGET PROPOSALS – CAPITAL EXPENDITURE**

46. As included in the 2016/17 Financial Strategy report to the Leadership Board in January, the above Revenue Budget has been prepared on the basis of the latest projections of the investments required to support the developments LGA Properties – Local Government House and Local Government Management Board – Layden House.

47. The projected funding requirements are shown on in the table below. At this stage the budgets for the schemes have not been agreed by the property companies for recommendation to the Leadership Board for final approval. This activity will take place early in the next Financial Year once the planning processes are complete, and bids have been received from contractors.

<b>Estimated Capital Expenditure</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>Total £000</b>
LGA Properties – Local Government House	150	8,000	3,850	12,000
Local Government Management Board – Layden House	2,000	13,500	500	16,000
<b>Total Funding Requirement</b>	<b>2,150</b>	<b>21,500</b>	<b>3,850</b>	<b>28,000</b>

**Conclusions**

48. The medium-term financial strategy and provisional budget for next year show that securing a balanced budget for 2016/17 is achievable given the funding agreed for the year and also the cost reduction measures taken over the last three years.

49. Work will continue on developing the LGA’s financial strategy, to ensure the financial sustainability of the LGA for the medium term.

## APPENDIX A – 2016/17 Budget – Consolidated Summary

<b>Group BUDGET, 2016-17 - Consolidated summary</b>						
Row		<b>2015/16 Budget £'000</b>	<b>2015/16 Forecast £'000</b>	<b>2016/17 Budget £'000</b>	<b>2017/18 Projection £'000</b>	<b>2018/19 Projection £'000</b>
	<b>What we do</b>					
1	Finance & Policy	4,898	5,004	5,184	5,688	5,827
2	Workforce, Leadership & Productivity	12,118	11,523	12,742	13,128	13,289
3	Communications	1,101	1,324	2,900	2,444	2,962
4	Direct Government Grant Distribution	1,671	1,671	1,535	1,535	1,535
5	Member Services	1,403	1,389	1,388	1,379	1,390
6	Political Group Offices	986	812	916	935	1,089
7	Corporate Services	10,148	8,204	5,829	5,809	5,875
	<b>How we fund our activity</b>					
8	England Direct Government Grant	(23,382)	(23,382)	(21,996)	(20,592)	(19,188)
9	Welsh RSG Income	(299)	(299)	(295)	(291)	(287)
10	Subscription Income	(9,414)	(9,422)	(9,349)	(9,349)	(9,349)
11	Commercial Income	(1,500)	(1,668)	(2,000)	(2,500)	(3,000)
12	LGMB - Layden House	(579)	(284)	138	(2,476)	(2,976)
13	LGA Properties - Local Government House	1,521	1,566	1,650	1,619	1,000
14	Grants/Ring-fenced - Overhead contribution	(1,105)	(1,401)	(955)	(955)	(955)
15	<b>Total (Surplus) / Deficit before :</b>	<b>(2,433)</b>	<b>(4,963)</b>	<b>(2,313)</b>	<b>(3,626)</b>	<b>(2,788)</b>
16	Contribution to Pensions Deficits	2,433	2,538	2,647	3,647	3,647
17	Contribution to / (from) specific reserves	0	2,293	1,839	(1,218)	(2,914)
18	Contribution to/(from) General reserves Property Companies	0	132	(2,173)	857	1,635
19	Corporate Tax Payments	0	0	0	340	420
20	<b>Total Net Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## APPENDIX B1 – 2016/17 Budget – LGA

<b>LGA BUDGET, 2016-17</b>				
	<b>Core Pay £000s</b>	<b>Non-Pay £000s</b>	<b>Income £000s</b>	<b>Totals £000s</b>
Finance & Policy	2,375	813	(45)	3,143
Workforce, Leadership & Productivity	1,093	360	0	1,453
Communications	2,166	1,937	(1,470)	2,633
Member Services	211	1,177	0	1,388
Political Group Offices	726	190	0	916
Corporate Services & Overheads	2,075	3,697	(741)	5,031
Subscription Income	0	518	(9,867)	(9,349)
Additional Commercial Income	0	100	(600)	(500)
Intercompany Transactions	0	374	(5,423)	(5,049)
<b>Core Costs</b>	<b>8,646</b>	<b>9,166</b>	<b>(18,146)</b>	<b>(334)</b>
<b>Grant Programme Totals</b>	<b>124</b>	<b>321</b>	<b>(445)</b>	<b>0</b>
<b>Total (Surplus) / Deficit before contributions to :</b>	<b>8,770</b>	<b>9,487</b>	<b>(18,591)</b>	<b>(334)</b>
Contribution to Pensions Deficits				0
Contribution to / (from) specific reserves				334
<b>Total Net Budget</b>				<b>0</b>

## APPENDIX B2 – 2016/17 Budget – IDEA

<b>IDeA BUDGET, 2016-17</b>				
	<b>Core Pay £000s</b>	<b>Non-Pay £000s</b>	<b>Income £000s</b>	<b>Totals £000s</b>
Finance & Policy	1,351	690	0	2,041
Workforce, Leadership & Productivity	5,943	6,852	(1,505)	11,290
Communications	176	90	0	266
RSG Distribution	0	1,535	0	1,535
Corporate Services & Overheads	(13)	881	(70)	798
England Direct Government Grant	0	0	(21,996)	(21,996)
Welsh RSG Income	0	0	(295)	(295)
Additional Commercial Income		0	(1,500)	(1,500)
Intercompany	0	4,985	(320)	4,665
				0
<b>Core Costs</b>	<b>7,457</b>	<b>15,033</b>	<b>(25,686)</b>	<b>(3,196)</b>
<b>Grant Programme Totals</b>	<b>4,044</b>	<b>2,601</b>	<b>(7,600)</b>	<b>(955)</b>
<b>Total (Surplus) / Deficit before contributions to :</b>	<b>11,501</b>	<b>17,634</b>	<b>(33,286)</b>	<b>(4,151)</b>
Contribution to Pensions Deficits				2,647
Contribution to / (from) specific reserves				1,504
<b>Total Net Budget</b>				<b>0</b>

**APPENDIX B3 – 2016/17 Budget – LGMB**

<b><u>LGMB Budget 2016/17 - Layden House</u></b>			
	<b>Non-Pay</b>	<b>Income</b>	<b>Totals</b>
	£000s	£000s	£000s
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Rates	70		70
Loan interest	320		320
Shared Service Charge - LGA	346		346
Valuation fees	7		7
Utilities	56		56
Bank Charges	1		1
Audit fees	4		4
<b>Total Expenditure</b>	<b>804</b>	<b>0</b>	<b>804</b>
<b>Total (Surplus) / Deficit</b>			<b>804</b>
<b>Contribution (from) General reserves</b>			(804)
<b>Total Net Budget</b>			<b>0</b>

No rent or other income will be received during 2016/17 due to the refurbishment.

Rates are at a decreased level and there is an assumption that any loans taken out will start to be repaid in the same year.

<b>Estimated Capital Expenditure</b>	<b>2015/16 £'000</b>	<b>2016/17 £,000</b>	<b>2017/18 £'000</b>	<b>Total £'000</b>
Local Government Management Board – Layden House	2,000	13,500	500	16,000

## APPENDIX B4 – 2016/17 Budget – LGA Properties

<b><u>LGA (Properties) Ltd Budget, 2016/17 - Local Government House</u></b>			
	<b>Non-Pay</b>	<b>Income</b>	<b>Totals</b>
	£000s	£000s	£000s
External Rent		(265)	(265)
Internal rent		(717)	(717)
<b>Total Income</b>	<b>0</b>	<b>(982)</b>	<b>(982)</b>
Rates	913		913
External Borrowings	225		225
Loan & Mortgage Interest - LGA	90		90
Shared Service charge to LGA	346		346
R&M	30		30
Facilities Management	450		450
Legal & Professional fees	15		15
Valuation	5		5
Utilities	145		145
Bank charges	1		1
Audit fees	4		4
Depreciation	127		127
<b>Total Expenditure</b>	<b>2,351</b>	<b>0</b>	<b>2,351</b>
<b>Total (Surplus) / Deficit</b>			<b>1,369</b>
<b>Contribution (from) General reserves</b>			(1,369)
<b>Total Net Budget</b>			<b>0</b>

External rent is part year rent to be received from tenants in LGH. Internal rent is due from the LGA and IDeA - this is at a 50% reduced rate for the inconvenience during the refurbishment.

All expenditure is business as usual.

<b>Estimated Capital Expenditure</b>	<b>2015/16 £'000</b>	<b>2016/17 £,000</b>	<b>2017/18 £'000</b>	<b>Total £'000</b>
Local Government Management Board – Layden House	150	8,000	3,850	12,000

**APPENDIX C – RISK AND SENSITIVITY ANALYSIS –****Source : 2016/17 to 2018/19 LGA Financial Strategy January 2016.**

The table below identifies for key risks to the revenue budget the impact of different scenarios for each risk that would impact the numbers shown in the 3 year plans above. Some of these risks will be offset by cost reductions such as option 1. However it will not always be possible to remove all of the overheads to the business in relation to any specific business activity.

	<b>Risk</b>	<b>Entity</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1	RSG movement to worst case scenario	IDEA	820	3,180	5,250
2	Additional 1% on staffing costs	LGA and IDEA	160	320	480
3	Reductions in achievement of phased additional income targets - 20%	IDEA	100	200	300
4	Possible further reductions in grant-funding - Net - Additional 5% per annum ( to 15% per annum)	LGA	50	100	150
5	LGA membership – 5 councils are currently on notice to withdraw from membership in 2016/17. The 2016/17 risk is assessed as being up to a £206k reduction in income.  i.e. to Fire and Rescue = approx 3%	LGA		300	600
6	A reduction in current 3rd party clients for back office services could lose up to £350k in contribution to LGA fixed overhead costs.  Smaller Clients greatest risk	LGA	50	100	100
7	A larger requirement for pension deficit contributions from the Merseyside pension fund than current annualised levels.  Major driver for increase - current deficit payments didn't fully pick up impact of West Sussex transfer	LGA		700	700
8	A larger requirement for pension deficit contributions from the Camden pension fund. - driven by latest deficit valuations	IDEA		2,400	2,400
9	Delays in new tenants moving into Local Government House - each month	LGAP		110	



## Appendix D

### **SERVICE LEVEL AGREEMENT BETWEEN THE LOCAL GOVERNMENT ASSOCIATION and IMPROVEMENT & DEVELOPMENT AGENCY**

Local Government Association support to Direct Government Grant work in  
2016-17

#### Introduction

The Improvement and Development Agency (IDeA) is owned by the Local Government Association (LGA). The IDeA is expecting to receive Direct Government Grant to pay for improvement services to councils. While most of the staff delivering this service are employed directly by the IDeA and the associated programme costs are incurred directly by the IDeA, the LGA also incurs costs in relation to the delivery of these improvement services. The IDeA will therefore pay a grant of £2.279m to the LGA in 2016-17 in recognition of this – in effect allocating a share of the Direct Government Grant to the LGA for the period ending 31<sup>st</sup> March 2017.

#### Context

The following services are provided by the LGA in support of the IDeA's improvement activities:

Staffing and other costs in relation to:

- Member services
- Political Group Offices
- Executive Business
- Finance and Policy
- Local Government Support
- Improvement Support
- Leadership and Localism
- Productivity
- Research and Information
- Workforce
- Communications
- Conferences and Events
- External Communications
- Internal Communications
- HR
- Legal support
- Business support
- ICT

The IDeA's budget also includes provision for the following additional payments to the LGA:

- £2.362m for IDeA's contribution to delivery and other support costs incurred by the LGA for improvement work
- £0.344m for accommodation costs at Local Government House - charged by LGA (Properties) Ltd.

**Appendix D**

**SERVICE LEVEL AGREEMENT BETWEEN  
THE LOCAL GOVERNMENT ASSOCIATION and  
IMPROVEMENT & DEVELOPMENT AGENCY**

Local Government Association support to Direct Government Grant work in  
2016-17

Review

This Service Level Agreement will be reviewed for 2017-18 in March 2017.

Signed by person authorised to sign on behalf of Local Government Association.	
Date	
Signature	
Name (please print)	Lord Gary Porter
Position in organisation	Chair of Local Government Association

Signed by person authorised to sign on behalf of Improvement and Development Agency.	
Date	
Signature	
Name (please print)	Cllr David Simmonds CBE
Position in organisation	Chair of Improvement and Development Agency





## **Chief Executive's Monthly Report – March 2016**

### **Purpose**

For discussion and direction.

### **Summary**

The LGA business plan for 2015/16 centres on five priorities:

- Funding for local government
- Devolution
- Promoting Health and Wellbeing
- Economic growth, jobs and housing
- Sector-led improvement

The six-weekly Chief Executive's report sets out the LGA's main achievements against those priorities. In part two, the report summarises the LGA's media outreach and provides an update of membership related activity.

### **Recommendation**

That the Leadership Board notes the Chief Executive's report for March 2016.

### **Action**

As directed by members.

**Contact officer:** Mark Lloyd  
**Position:** Chief Executive  
**Phone no:** 020 7664 3237  
**Email:** [mark.lloyd@local.gov.uk](mailto:mark.lloyd@local.gov.uk)

## Chief Executive's Monthly Report – March 2016

### Part 1 – Achievements against our five priorities

#### Priority 1 – Funding for Local Government

- 1.1 **LGA's 2016 budget submission** - published the submission which sets out our proposals on local taxation, devolution, and integration of services to deliver value for money services and encourage economic growth.
- 1.2 **Final 2016/17 local government finance settlement** – provided and presented a range of local authority, parliamentary and media briefings.
- 1.3 **The Spending Review: Health & Care** - submitted written evidence to the Health Select Committee's inquiry on the impact of the Spending Review on health and care. Our evidence set out the importance of adult social care, the significant challenges the sector has faced since the 2010 Spending Review, and the funding gap facing social care.
- 1.4 **Business rate retention** - submitted evidence to the Select Committee of Communities and Local Government on the implementation of full business rate retention, and participated in a roundtable session to help establish the lines of inquiry.
- 1.5 **Local council tax support** - submitted evidence to the independent inquiry into local council tax support, led by ex-MP Eric Ollerenshaw.
- 1.6 **The Licensing Act 2003** - issued a survey for all licensing authorities on the true cost of administering the Licensing Act. This follows a Home Office request to assist in building the evidence base for enabling fees to be set locally, for which the LGA has been lobbying.
- 1.7 **National Audit Office report into personalisation and adult social care** - responded to the draft findings of the National Audit Office report. The final NAO report will be published in March 2016.

#### Priority 2 – Devolution

- 2.1 **Health devolution** - held a roundtable discussion with Greater Manchester Combined Authority, and Greater Manchester NHS to discuss their experience of turning a health devolution deal into an achievable plan. Key learning and discussion points will be published.
- 2.2 **Better devolution inquiry** - the LGA is providing secretarial support to this enquiry, chaired by our President Lord Kerslake. In January, the Inquiry heard evidence from the Secretary of State for Communities and Local Government, Rt Hon Greg Clark MP, and the Shadow Secretary of State, Jon Trickett MP.
- 2.3 **Cities and Local Government Devolution Bill** - briefed MPs as the bill received Royal Assent, including our amendments requiring the Secretary of State to make an annual report on the progress of devolution.
- 2.4 **DevoNext hub**: published videos on governance which can be found [here](#).

**Priority 3 – Promoting Health and Wellbeing**

- 3.1 **Monthly delayed transfers of care data report** - compiled a range of data on delayed transfers of care to support councils in understanding the latest situation locally. The reports allow users to look at data nationally, by council or region and compare these data.
- 3.2 **Department for Culture, Media and Sport's consultation on a new UK digital strategy** - the LGA's submission made the case for closer working with Government Digital Services to further improve online transactions for shared customers, and the potential for digital approaches to achieve transformational change in services such as health and social care.
- 3.3 **Public health objective in the Licensing Act 2003** - surveyed councils on the need for a public health objective in the Licensing Act. 89% of respondents agree there is a demand.
- 3.4 **APPG on beer** - refreshed guidance for councils on setting up 'reducing the strength schemes' following a hearing by the APPG on beer.
- 3.5 **Combating loneliness** – published a guide for councils on how they can combat loneliness and social isolation. The publication was produced in partnership with Age UK and the Campaign to End Loneliness.
- 3.6 **Integrated Personal Commissioning (IPC)** - Sarah Pickup chaired a meeting of the IPC Programme Board on 3<sup>rd</sup> February. The IPC Programme is an innovative national initiative led by NHS England and supported by the LGA, the Association of Directors of Adult Social Care and Think Local Act Personal, to bring together health and social care personal budgets.
- 3.7 **The LGA/ADPH public health conference** - took place on 3<sup>rd</sup> February. The conference showed how local leaders are committed to improving health and prosperity. Slides from the workshops and plenary are available [here](#).
- 3.8 **Public health transformation three years on** - this year's compilation of case studies shows local authorities continuing to make progress on improving health and wellbeing and tackling health inequalities since public health was formally transferred from the NHS. See more [here](#).
- 3.9 **Behavioral insights and health** – published this paper illustrating ways that people can be supported to make better choices. From exploiting digital technologies to stressing social norms, local authorities have started using behavioral insights to make a difference to people's lives. See more [here](#).
- 3.10 **Case studies on Autism** – the LGA is publishing a series of local case studies on Autism to coincide with the publication of the annual report on the national autism strategy, and the release of councils' self-assessment on their progress on the strategy.
- 3.11 **Care and Health Improvement Programme (CHIP)** - the LGA has launched an efficiency project that aims to help develop innovative, efficient, and sustainable approaches in care and health services. Further details can be found [here](#).
- 3.12 **The Psychoactive Substances Bill** - which the LGA lobbied for, received Royal Assent at the end of January and will help councils tackle the sale of 'legal highs'.
- 3.13 **Sugar labelling** - the LGA has called on pub, restaurant and cinema chains to show calorie counts and for fizzy drinks to include child-friendly 'teaspoon labels' to spell out sugar content. More information can be found [here](#) and [here](#).

#### Priority 4 – Economic Growth, Jobs and Housing

- 4.1 **LGA Housing Commission** – the first evidence session of this commission was held in January bringing councils and stakeholders together to discuss the role of councils in housebuilding.
- 4.2 **Discover England fund** - highlighted to Ministers the potential of the new £40 million Discover England fund to boost local visitor economies and the importance of ensuring there is flexibility to spend the money on local growth priorities.
- 4.3 **Regulatory services to support businesses and economic growth** – held a [conference](#) on this topic and supported a workshop for communications teams on communicating with businesses.
- 4.4 **Trading Standards** - published a [report](#) on the future of trading standards services. The review was commissioned as part of the LGA's [Remodelling Public Protection](#) work, and following the [vision](#) for the future of trading standards published by the Chartered Trading Standards Institute.
- 4.5 **Franco-British Cooperation on NEETs** - Cllr Roy Perry attended a meeting arranged by the Franco-British council in Paris to discuss differing approaches on training and support for those not in education, employment or training (NEETs) on 25 January. Discussions focussed on how the two countries manage young people's transition from school into the labour market.

#### Priority 5 - Sector-led Improvement

- 5.1 **General take-up of support** - our bespoke sector-led improvement peer support and challenges remain popular. By Quarter 3 of 2015/16:
- 65 peer challenges have been delivered, 34 are confirmed/scheduled for January-March, and a further 12 are in discussion
  - 38 councils had taken up change of control/leader support
  - 40 bespoke mentoring support
  - 21 top team development work
  - 25 follow ups to peer challenges
  - 115 other direct support
  - 45 had taken up communications support
  - 2 library peer reviews funded by Arts Council England
- 5.2 **LG Inform crime and disorder in your area** - produced this report which provides an overview of the different types of police recorded crime for a selected authority and a comparison group. The report is updated each quarter with data taken from the police recorded crime survey.
- 5.3 **Fire Leadership Essentials programme** - ran this programme to support members of fire and rescue authorities in their role.
- 5.4 **Severe weather outbreaks** - ran a series of workshops on managing severe weather outbreaks and other emergencies to support council leaders and senior officers in their emergency response role.
- 5.5 **Licensing training to Lancaster City Council** – delivered a licensing update to West Midlands licensing officers.
- 5.6 **Shared services map** - our [shared services map](#) has shown how councils are leading the public sector in efficiency gains through collaborative working. It provides information about

the scale of shared services and officer contact details enabling the transfer of learning.

- 5.7 **Digital transformation funded programme** - councils were invited to bid for funding through the [digital transformation programme](#) to implement digital tools and approaches to complement their work to transform 'wicked' issues such as welfare reform and public health. 111 bids were received.
- 5.8 **One Public Estate: unlocking the value in public sector assets** - this [publication](#) marks the expansion of the joint LGA and Cabinet Office Government Property Unit: public land and property programme. It showcases some of the successes of the programme to date.
- 5.9 **LGA Care and Health Improvement Programme** - the LGA is launching an efficiency project to help develop innovative, efficient and sustainable approaches in care and health services.
- 5.10 **The potential for energy efficiency and renewable energy** - this [report](#) outlines the business case for councils to invest in energy efficiency for their buildings and renewable energy.
- 5.11 **The Emerging Leadership Handbook** - we have published a new [guide](#) to help middle managers in their leadership roles be a force for innovation, change and transformation, and a driving force for making a positive impact in challenging times.
- 5.12 **Pilot course - company direction with the Institute of Directors** - following requests from councils, we have commenced a pilot course in Company Direction with the Institute of Directors. This leadership support considers greater commercialisation activities.
- 5.13 **Open data case studies** - the LGA has published a set of [case studies](#) and evaluation reports from the open data break through funding to help councils realise the potential of using open data.
- 5.14 **Results of the Schools' Opinion Poll** - we received the results of our poll of 1,000 parents of children in school. It showed that councils are clearly seen to be in the front line in terms of place planning, but that Ofsted and DfE are the strongest brand in terms of school improvement.
- 5.15 **Ofsted inspection reports** - commissioned a piece of work analysing the outcomes of all Ofsted Single Inspection Framework (SIF) inspections to date. It highlights seven characteristics of an authority that is likely to be judged as good, which will help to inform local authorities' improvement work.

## **Part 2 – Media outreach and membership related activity**

### **Media and Public Affairs**

1. The LGA was mentioned **over 90 times** in the Houses of Parliament in January.
2. The LGA submitted evidence to **4 parliamentary inquiries** including providing submissions to the Health Committees inquiry into the impact of the Spending Review on health and social care, and the Education Committee's inquiry into the purpose and quality of education.
3. The LGA circulated formal written briefings to MPs and Peers for **14 parliamentary debates**.

<b>Media Source</b>	<b>Issue</b>
<b>BBC Online, Radio 4 Today Independent</b>	The LGA's response to reports by the National Audit Office and Commons Work and Pensions Committee on local welfare assistance schemes.
<b>FT</b>	The LGA's backing of municipal bond agency 'The Local Capital Finance Company'.
<b>Guardian</b>	The LGA's previous warnings about the future funding of social care were referenced after NHS Chief Executive Simon Stevens said Britain urgently needs a new political consensus on how to pay for social care.
<b>Telegraph</b>	The LGA's call for all councils to be able to add flooding precepts to council tax bills to raise additional funding to manage flood risks.
<b>Telegraph, Mail Online, Express</b>	The LGA's warnings about how councils need transitional support to cope with deeper than expected funding cuts in 2016/17.
<b>BBC (Online, News, Andrew Marr Show, Radio 5 Live), ITV Online, Observer, Independent Online, Mail Online, the i paper, Times, Mirror, Sun, Sky News, LBC</b>	An LGA-commissioned analysis on the impact of the Government's Pay to Stay policy.
<b>BBC (News, Online, Radio 2, 3, 4, 5 Live), Telegraph, FT, Guardian, Metro, Mail Online, i paper</b>	The LGA's research showing more than 475,000 new homes in England and Wales have planning permission but have yet to be built.
<b>Guardian Online</b>	The LGA's statement on taking enforcement action against rogue landlords in the private rented sector.
<b>Telegraph Online</b>	The LGA's previous evidence to MPs investigating broadband provision following a report by Ofcom that as many as 1.5 million households will have to wait 2-3 years before they can get a "minimum" internet speed.
<b>Independent, Guardian, Guardian Online, Mirror Online, ITV Online, i paper</b>	The LGA's warning that national housing reforms would lead to the loss of 80,000 council houses in the next four years and add more than £200 million a year to the housing benefit bill.
<b>Guardian Online</b>	The LGA's warnings that the removal of obligations on builders to provide affordable housing or make payments in lieu of councils are worth around £15,000 per house.
<b>Mail, Express, Guardian ITV Online, BBC Online, Telegraph Online, Good Morning Britain, ITV</b>	Community Wellbeing spokesperson Cllr Izzi Seccombe featured on the LGA's press release on how loneliness needs to be recognised as a major public health concern.
<b>BBC Online</b>	The LGA's estimates that lowering the current drink-driving limit would save nearly £300 million a year by reducing police and ambulance call-outs and hospital admissions.
<b>FT</b>	The LGA's warning about how a further 880,000 pupils would need places at England's schools over the next decade
<b>Times</b>	The LGA was referenced by Immigration Minister James Brokenshire about its work to ensure that the burden of taking unaccompanied asylum-seeking children is spread across the country
<b>BBC (News, Radio 5 Live,</b>	The LGA's response to the Government's announcement that the

<b>Online, Daily Politics)</b>	UK will take more unaccompanied asylum seeking children.
<b>Guardian Online</b>	The LGA's setting up of a Betting Commission to get councils, the Association of British Bookmakers, and the five big bookmakers together to discuss the clustering of betting shops in poorer areas.
<b>Sunday Mirror, Mirror Online</b>	The LGA's calls for e-cigarette manufacturers to display warnings on packaging after a series of blazes linked to the devices.
<b>Mirror Online</b>	The LGA was referenced after the National FGM Centre, which it jointly runs with the children's charity Barnardo's, revealed new figures showing that there is a new case of female genital mutilation every 109 minutes.
<b>BBC Online, Times</b>	The LGA's support of plans to devolve Sunday trading powers to councils was reported on.

**LGA Membership**

4. Bristol City Council and Waverley Borough Council have now agreed to withdraw their notice to leave the LGA. Barnet has confirmed that it will be leaving the LGA from 1 April 2016. This brings the number of councils still on notice to leave the LGA on 31 March 2016 to four. The latest position on each will be reported verbally:

**On notice to leave the LGA on 31 March 2016**

- 4.1. Preston City Council
- 4.2. London Borough of Richmond
- 4.3. Stockton on Tees Borough Council
- 4.4. West Sussex County Council

**On notice to leave on 31 March 2017**

- 4.5. East Staffordshire Council
- 4.6. Hartlepool Borough Council
- 4.7. Gosport Borough Council
- 4.8. Waverley Borough Council

**Out of membership**

- 4.9. Bromley, Sheffield and Wandsworth Councils
- 4.10. Barnet Council (from 1 April 2016)

## 5. Membership visits for the Chief Executive and Deputy Chief Executive:

<b>Chief Executive's Membership Visits: 21<sup>st</sup> Jan - 2<sup>nd</sup> March 2016</b>	
22 <sup>nd</sup> Jan	Welsh Local Government Association
25 <sup>th</sup> Jan	London Borough of Lewisham
4 <sup>th</sup> Feb	Cornwall County Council
8 <sup>th</sup> Feb	Bedford Borough Council
16 <sup>th</sup> Feb	Calderdale Council
22 <sup>nd</sup> Feb	East of England Parliamentary Reception at House of Commons
24 <sup>th</sup> Feb	SW Chief Executives' meeting
25 <sup>th</sup> Feb	Norwich City Council
<b>Forward plan: 2<sup>nd</sup> Mar - 6<sup>th</sup> April 2016</b>	
3 <sup>rd</sup> Mar	National Chief Executive's Regional LGA Liaison Group
3 <sup>rd</sup> Mar	SOLACE Dinner
4 <sup>th</sup> Mar	East of England CEX's meeting
9 <sup>th</sup> Mar	Shropshire Council
10 <sup>th</sup> Mar	Worcestershire CEX's and Leaders meeting
17 <sup>th</sup> Mar	Lancashire CEX's meeting
18 <sup>th</sup> Mar	Cumbria CEXs' meeting
21 <sup>st</sup> Mar	Haringey Council
4 <sup>th</sup> Apr	City of London Corporation
<b>Dep Chief Executive's Membership Visits: 21<sup>st</sup> Jan - 2<sup>nd</sup> March 2016</b>	
10 <sup>th</sup> Feb	Wolverhampton Council
10 <sup>th</sup> Feb	Dudley Council
22 <sup>nd</sup> Feb	East of England Parliamentary Reception at House of Commons
25 <sup>th</sup> Feb	Oxfordshire County Council
<b>Forward plan: 2<sup>nd</sup> Mar - 6<sup>th</sup> April 2016</b>	
8 <sup>th</sup> Mar	West Midlands Regional Chief Executives' Meeting
18 <sup>th</sup> Mar	Surrey Chief Executives Meeting
18 <sup>th</sup> Mar	Surrey County Council
24 <sup>th</sup> Mar	West Berkshire Council



## **LGA Forward Plan**

### **Purpose of report**

For discussion and direction.

### **Summary**

The LGA Leadership Board is responsible for driving the Association's activities and business, taking a lead in developing and overseeing delivery of the business plan and identifying the emerging and key issues to highlight to the LGA Executive.

As part of this, Members are invited to consider which items they would like to see on future agendas of the LGA Leadership Board, LGA Executive and Councillors' Forum.

### **Recommendation**

That the Leadership Board endorses the Forward Plan and specifies topics and items for future meetings of the LGA Executive, Leadership Board and Councillors' Forum.

### **Action**

Officers to brief Members and officers in line with steer.

**Contact officer:** Frances Marshall  
**Position:** Manager, Member Services  
**Phone no:** 020 7664 3220  
**E-mail:** [frances.marshall@local.gov.uk](mailto:frances.marshall@local.gov.uk)



## LGA Forward Plan

APRIL

LEADERSHIP BOARD

<b>LGA LEADERSHIP BOARD 6.4.16</b>	
<b>Item</b>	<b>Summary / Purpose</b>
The Budget	To receive a summary of the Chancellor's Budget announcements.
Transport Update	To hear from the Environment, Economy, Housing & Transport Board on their lobbying on Transport and specifically the Bus's Bill.
<b>LGA Business</b>	
Combined Authorities Task & Finish Group	To consider the recommendations of the Combined Authorities Task and Finish Group on how the LGA responds to changes in English governance resulting from devolution deals.
General Assembly	To consider and endorse the proposed format and agenda for the General Assembly.
LGA Proportionality	To agree the process and timetable for confirming changes to LGA proportionality.
Communications Update	To consider communications activity over the past year.
Annual Conference & Exhibition	To comment on and approve the emerging programme and activities for the LGA's Annual Conference.
Chief Executive's Report	To hold the Chief Executive to account against delivery of business plan priorities.
Forward Plan	To consider topics for discussion at LGA Leadership Board, Executive and Councillors' Forum.
Note of the last meeting	To approve the note of the last meeting.
<b>Part 2: Confidential</b>	
Note of the last Commercial Advisory Board meeting	To note the minutes of the CAB last meeting.
Local Government House and Layden House Refurbishment Update	To consider an update on both proposals and consider detailed proposals for LGA (Property) Board's request for funding.

**NB – Councillors' Forum and the LGA Executive do not meet in April.**

**JUNE**

**LEADERSHIP BOARD**

<b>LGA LEADERSHIP BOARD 8.6.16</b>	
<b>Item</b>	<b>Summary / Purpose</b>
<b>LGA Business</b>	
Annual Conference & Exhibition	To consider progress on the Annual Conference & Exhibition.
Performance Report	To review the full year performance report.
LGA Consolidated Accounts	To approve the financial statements for the year to 31 March for presentation to the General Assembly.
LGA Governance	Review of Portfolio Governance Model Pilots
LGA Political Balance	Endorse proportionality figures as the basis for negotiating the allocation of chairs/vice-chairs and populating member structures.
General Assembly Motions	Agree motions for recommendation to General Assembly.
Vice-Presidents	To approve the nominations made by the political groups.
Audit Committee Report to General Assembly	To approve the Audit Committee report to General Assembly.
LGA Constitution	To agree changes to the LGA Constitution for recommendation to the General Assembly.
SIGs Annual Reports	To note the Annual Reports of the LGA's Special Interest Group
Chief Executive's Report	To hold the Chief Executive to account against delivery of business plan priorities.
Forward Plan	To consider topics for discussion at LGA Leadership Board, Executive and Councillors' Forum.
Note of the last meeting	To approve the note of the last meeting.
Note of the last Audit Committee	To note the minutes of the last Audit Committee.
<b>Part 2: Confidential</b>	
Note of the last Commercial Advisory Board meeting	To note the minutes of the CAB last meeting.

**CLLRS FORUM**

<b>Councillors' Forum 9.06.2016</b>	
<b>Item</b>	<b>Summary / Purpose</b>
<b>2012 Olympic and Paralympics Legacy</b>	<b>To reflect on the 2012 Olympic and Paralympic legacy.</b>
Chairman's Report	To present the Chairman's monthly report
Chairs of Boards Reports	To present the Chairs of Boards' monthly reports.
Digest of the last meeting	To note the digest of the last meeting.

**LGA EXECUTIVE**

<b>LGA Executive 9.6.16</b>	
<b>Item</b>	<b>Summary / Purpose</b>
<b>Queen's Speech</b>	<b>To approve the suggested priority Bills for the LGA.</b>
<b>LGA Business</b>	
Audit Committee Report to General Assembly	To approve the Audit Committee report to General Assembly.
General Assembly Motions	To agree motions for submission to General Assembly.
LGA Political Balance	To note the revised proportionality and the implications for the distributions of seats on governance structures.
Note of LGA Leadership Board Meeting	To highlight key issues from the LGA Leadership Board meeting the previous day.
Note of the last LGA Executive meeting	To agree the note of the last meeting.

**JULY**

**LEADERSHIP BOARD**

<b>LGA LEADERSHIP BOARD 20.07.15</b>	
<b>Item</b>	<b>Summary / Purpose</b>
<b>Future Business Plan Priorities</b>	To provide a steer on the high level priorities for business planning prior to full report in September.
<b>LGA Business</b>	
Membership & Terms of Reference	To note the new membership and terms of reference.
Dates of Future Meetings	To note dates of future meetings.
Communications Update	To consider communications activity in the first quarter
Leadership Board – Review of the Year	Summarises the work of the Board since 1 September and its key achievements.
Annual Conference & Exhibition	To provide early feedback on the Annual Conference.
Part 2: Confidential	

**CLLRS FORUM**

<b>Councillors' Forum 21.07.16</b>	
<b>Item</b>	<b>Summary / Purpose</b>
<b>TBC</b>	<b>TBC</b>
Chairman's Report	To present the Chairman's monthly report
Chairs of Boards Reports	To present the Chairs of Boards' monthly reports.
Digest of the last meeting	To note the digest of the last meeting.

**LGA EXECUTIVE**

<b>LGA Executive 21.07.16</b>	
<b>Item</b>	<b>Summary / Purpose</b>
<b>Spending Round</b>	To discuss the results of the Spending Round.
<b>LGA Business</b>	
LGA Boards – Annual Review of the Year	To note achievements against the objectives and deliverables agreed for the year.
Note of LGA Leadership Board Meeting	To highlight key issues from the LGA Leadership Board meeting the previous day.
Note of the last LGA Executive meeting	To agree the note of the last meeting.

## Note of last Audit Committee meeting

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<b>Title:</b>	Audit Committee
<b>Date:</b>	Monday 18 January 2016
<b>Venue:</b>	Rathbone Rooms 1&2, 7th Floor, Local Government House, Smith Square, London, SW1P 3HZ

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### Attendance

An attendance list is attached as **Appendix A** to this note.

Item	Decisions and actions	Action
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#### 1 Declarations of Interest

Cllr David Neighbour declared a personal interest as a member of the LGA (Properties) Ltd and LGMB Company Boards, and the Commercial Advisory Board.

#### 2 Review of Block 1 of 2015/16 Internal Audit

Ashley Norman, Business Assurance Manager for the LGA's internal auditors TIAA, introduced the report which set out the review of Block 1 of the internal audit programme, which covered key financial controls, HR processes and income generating activities. TIAA's assessment in relation to all three areas was reasonable assurance. All actions set out in the report had either been taken or were in the process of being completed.

Regarding HR processes, Claire Holloway, head of Corporate Governance, explained that the HR team had been split but had now returned to operate as one team under LGA control. The top priority following the change in arrangements was to look at systems and processes. There would be a move towards online forms for HR processes which would be easier for staff to complete. SMT were keeping this area under close review.

Sarah Pickup, Deputy Chief Executive, explained that a new financial strategy would be considered by the Leadership Board, which would include planning to shift balance from government funding to earned income. This income would be via sale of data and commercial rents, amongst other funding streams which were supported by the LGA's commercial strategy.

In response to a question on the organisational changes, the Head of Corporate Governance explained that the ending of the Liberata contract in June 2015 and the transfer of IT services to London Borough of Brent in October 2015 had been both successful. Former Liberata staff had been brought back into the LGA organisation and had maintained services well during the period of transfer. The new structure was being kept under

review, but had settled down well. There was still ongoing technical work associated with the IT transfer, and some issues to address, but all staff had attended induction to the new equipment and processes, and the relationship with Brent was very positive.

#### **Decision**

The Audit Committee **agreed** TIAA's phase 1 report and recommendations, and **noted** TIAA's follow up report into the June 2015 audit of business continuity, which concluded that the remaining 2 recommendations had been met.

### **3 Review of 6 Months Performance Reports Including Delivery Against Business Plan and Financial Performance**

Paul Brack, Strategic Finance Manager, introduced the report and highlighted that there was an expected underspend for this financial year. This was due to the change in terms of the Liberata contract and the restructure of the LGA generally. It was planned that savings would be built up to offset the pension deficit, and provide investment to the property companies to develop the LGA's commercial programmes.

Claire Holloway, Head of Corporate Governance, added that the LGA would streamline how performance was reported for this year. Lobbying and influencing work was difficult to quantifiably report on, and so performance would be included as part of the six-weekly report from the Chief Executive. Work was underway with colleagues in policy to develop a quantifiable list of areas to report against.

The following points were made by Members in discussion of the report:

- There was not a requirement for a high level of detail in performance reporting apart from in exceptional cases where performance had been lower than anticipated. Future performance reports would be streamlined, and would focus on exceptional areas.
- Performance should be prioritised so that resources could be managed in a more effective way.
- Peer challenges were particularly important, as was the training of councillors with leadership roles.
- Building projects and the LGA's IT contract should be kept under close review, with reports back to the Committee in due course.

#### **Decision**

The Audit Committee **noted** the LGA's 6 month performance report.

### **4 Revised Business Plan and Process**

Claire Holloway, Head of Corporate Governance, introduced the report. She highlighted that until 2015/16 the LGA had produced an annual Business Plan, with priorities being set at the annual conference in the summer. For 2015/16 the Leadership Board and LGA Executive had agreed to roll forward the current Business Plan, with one further priority



on health and wellbeing, and the whole Business Plan would not be revised until the start of the next meeting cycle in September 2016. There would be a three year rolling Business Plan, but it would be considered and refreshed each year over the summer.

In response to a question on membership, the Head of Corporate Governance explained that 6 councils were currently on notice to leave the LGA. They would be asked to confirm by March 2016 if they would be leaving membership. One further council may possibly give notice to leave, and representations were being made to Sheffield City Council with a view to bringing them back in to membership. The LGA regularly met with councils who were on notice to demonstrate the tangible financial benefits of membership, such as through collective legal actions.

Members commented that the LGA now worked better with councils, had better communications, and did more work with backbench councillors. There was a greater focus on the priority areas the organisation was lobbying on, and there was more cross-party lobbying which was welcomed.

#### **Decision**

The Audit Committee **noted** the revised Business Plan and performance monitoring framework.

### **5 Annual Accounts 2015/16 and FRS102 Update**

Paul Brack, Strategic Finance Manager, introduced the item and explained that it related to a new accounting standard to enable users of the accounts to receive high-quality, understandable financial reporting proportionate to the size and complexity of any information needs. Work on the draft accounts was currently underway, but approval of the changes to the existing accounting policies to bring them into line with new accounting requirements was required by the Committee in the first instance.

Members noted that the main changes which had come into place were around holiday pay benefits, defined benefit pension schemes and investment properties. In order to reduce the deficit, both Layden House and Local Government House would be investment properties, and any revaluation gain or loss would impact upon the accounts of LGA Properties Ltd.

Approval was also sought for one change in accounting policy to present a true and fair view of the LGA's consolidated accounts. Public Sector Audit Appointments Ltd (PSAA) was owned by the IDeA, but it was recommended that it not be included in the consolidated accounts as it would add an extra £82m in income and expenditure which would give a false impression of the organisation as a whole. The LGA did not control PSAA, and PKF Littlejohn were also unable to audit the organisation, as they were a supplier to PSAA.

Alastair Duke of PKF Littlejohn highlighted that he had sent a letter setting out their view of the relationship between LGA and PSAA. Following consideration of the relationship between LGA, IDeA and PSAA, they had concluded that PSAA was an independent organisation and acted independently of the LGA, therefore there was no subsidiary relationship and PSAA accounts should not be included in the LGA's consolidated accounts. The relationship would be reviewed each year to make sure no changes had taken place. Members endorsed this approach, and commented it would be useful to include a narrative in the accounts to explain the arrangement.

**Decision**

The Audit Committee approved the change to consolidation for inclusion in full pack of Accounting Policies that would be sent to the Audit Committee in February 2016 for review and onward recommendation to the LGA and Company Boards in March.

**Action**

Paul Brack to send amended pack to the Audit Committee for approval, and then send to LGA and Company Boards for subsequent approval.

**6 Note of the Previous Meeting**

**Decision**

The Committee **agreed** the minutes of the previous meeting held on 2 June 2015.

**Appendix A -Attendance**

Position/Role	Councillor	Authority
Chairman	Cllr Jonathan Owen	East Riding of Yorkshire Council
Deputy-chairman	Cllr Hugh Evans OBE Cllr David Neighbour	Denbighshire County Council Hart District Council
Apologies	Cllr Ian Swithenbank CBE	Northumberland Council

In Attendance

Sarah Pickup  
 Claire Holloway  
 Paul Brack  
 Donna Gallagher  
 Paul Goodchild  
 Ashley Norman (TIAA)  
 Ayodeji Adesina (TIAA)  
 Alastair Duke (PKF Littlejohn – by phone)

## **Annual Accounts 2015-16 and FRS102 Update**

### **Purpose**

For review and approval.

### **Summary**

Further to the report to the 18 January 2016 Audit Committee and subsequent detailed summary to Audit Committee members, this paper presents the draft revised Accounting Policies for review and approval by the LGA and Company Boards to comply with the new FRS102 reporting standards.

The policies also include a change in Accounting Policy that will be required in order to present a true and fair view in the LGA's consolidated accounts and those of the Improvement and Development Agency to exclude the consolidation of the accounts of the Public Sector Audit Appointments Limited.

In addition, attached at **Appendix A-C** are extracts from the accounts of both the group and the individual entities (Local Government Association, Improvement and Development Agency and Local Government Association Properties). These appendices show the impact of the implementation of FRS102 by comparing the restated and original presentation for the financial year 2014/15.

### **Recommendations:**

That the LGA Leadership Board is requested to:

- i. approve the amended accounting policies for the Local Government Association Accounts and the Group Consolidated Accounts; and
- ii. note the amended accounting policies for the Improvement and Development Agency and Local Government Association Properties.

### **Action**

Strategic Finance Manager to reflect the revised policies in producing the 2015/16 Statutory Accounts.

**Contact officer:** Paul Brack  
**Position:** Strategic Finance Manager  
**Phone no:** 0207 187 7309  
**E-mail:** [Paul.brack@local.gov.uk](mailto:Paul.brack@local.gov.uk)

## **Annual Accounts 2015-16 and FRS102**

### **Background**

1. The Financial Reporting Council (FRC) revised financial reporting standards in the United Kingdom and Republic of Ireland. The revisions fundamentally reformed financial reporting, replacing existing standards, one of these new Standards is FRS 102; the Financial Reporting Standard applicable in the UK and Republic of Ireland. The objective of the Standard is to enable users of the accounts to receive high-quality understandable financial reporting proportionate to the size and complexity of the entity and users' information needs.
2. Appendices A-C report show revised Accounting Policies for the LGA, Improvement and Development Agency and LGA Properties to comply with these new standards. Where there are changes to the existing policies the text has been highlighted. Note there are not expected to be changes to the Local Government Management Board Accounting policies arising from these changes.
3. The policies also include the change in Accounting Policy that will be required in order to present a true and fair view in the LGA's consolidated accounts and those of the Improvement and Development Agency. The issue relates to the consolidation of the Public Sector Audit Appointments Limited Company's (PSAA) accounts into the consolidated accounts, creating a significant increase in income and expenditure of the group, without improving the consolidated accounts financial position.
4. PSAA is a wholly owned subsidiary and in normal circumstances would be consolidated. We have asked for confirmation from our external auditors that subject to the approval of the boards, the above entities do not to consolidate PSAA's numbers for the following reasons:
  - 4.1. The LGA/IDEA do not control the entity - the IDEA appointed the first director, the rest has been down to the company itself, which is fiercely independent of the LGA.
  - 4.2. The Group is not able to share in assets or profits of the company, and surplus funds at the end of the arrangement with DCLG must be returned to the clients, as outlined in the memorandum of understanding.
  - 4.3. Removal will allow the LGA financial statements to show a true and fair view. Adding an expected £82 million to both income and expenditure, relating to PSAA would give the impression that the group is a much larger organisation than it really is.
5. We have received confirmation from PKF Littlejohn our external auditor that the above change is acceptable.
6. The Audit Committee has reviewed and approved the amended policies for onward recommendation to the Leadership Board and the Improvement and Development Agency and Local Government Association Properties Company Boards.



**Recommendation**

7. That the LGA Leadership Board is requested to:

7.1. approve the amended accounting policies for the Local Government Association Accounts and the Group Consolidated Accounts; and

7.2. note the amended accounting policies for the Improvement and Development Agency and Local Government Association Properties.



## **APPENDIX A - LGA GROUP ACCOUNTS – ACCOUNTING POLICIES**

### **ACCOUNTING POLICIES**

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, with the exception of preparing a detailed note on the Association's defined benefit pension scheme. The Leadership Board do not believe that this results in the financial statements not showing a true and fair view. The particular accounting policies adopted are described below.

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), with the exception of preparing a detailed note on the Association's defined benefit pension scheme. The Leadership Board do not believe that this results in the financial statements not showing a true and fair view. The particular accounting policies adopted are described below.

#### **Going Concern**

The financial statements have been prepared on the going concern basis. The Association and the entities under its control have net liabilities, after accounting for the defined benefit pension scheme deficits of £52.8 million as at 31 March 2015. £25.1 million of this amount relates to the Association. The valuation of net liabilities includes actuarial estimates of pension scheme liabilities at the balance sheet date. The Association and certain of its related entities pay amounts into the schemes, as prescribed by the actuaries, in order to eliminate this deficit over a period between 15 and 22 years, and unfunded pension liabilities are being cleared over the remaining lives of the pensioners concerned, as disclosed in Note 16. Payments to clear pension deficits are financed from the Association's and related entities' general income. In view of these arrangements the Leadership Board expects that the Association and entities under its control will have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis. However, in the event of dissolution, any excess of the Association's liabilities over its assets would be required, under the terms of its constitution, to be covered by its member authorities, including authorities that had left membership within the period of five years prior to dissolution.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the holding of investment properties at valuation in accordance with SSAP 19 "Accounting for Investment Properties".

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of the Association and companies under its control for the year ended 31 March 2015. They also consolidate the group's share of the results and post-acquisition reserves of joint ventures under the gross equity accounting method. The profits and losses of group undertakings and joint ventures are consolidated from the date of acquisition to the date of disposal using the acquisition method of accounting. Uniform accounting policies are used for all group companies. Profits or losses on intragroup transactions are eliminated on consolidation. Note 18 gives details of

the companies under the control of the Association and the Association's other related entities.

The accounts for Public Sector Audit Appointments Limited (PSAA) are not consolidated into these statements because the LGA does not exercise or have the ability to exercise control over PSAA and the LGA is not in a position to benefit from its results and financial performance.

### **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are held at historical cost net of depreciation and provisions for impairment. Under FRS102 mixed use property must be separated between investment property and tangible fixed assets. In the Group Accounts 89% of Local Government House cost and depreciation will be accounted for as Tangible Fixed Assets for the Financial Years 2014/15 and 2015/16 to reflect the area of the building utilised by the group.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Freehold buildings	25 years
Furniture and equipment	15 years
ICT and Computer equipment	3 years

Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.

### **Investment Property**

The freehold land and buildings investment property, Layden House, has been valued by an independent, external valuer on an open market basis at the Balance Sheet date. In accordance with the Statement of Standard Accounting Practice 19:

- the investment property will be revalued annually with the surplus or deficit transferred to the revaluation reserve, unless the deficit is considered to be permanent; and
- no depreciation or amortisation is provided.

In the Group Accounts 11% of Local Government House valuation on the above basis will be accounted for as Investment Property Assets for the Financial Years 2014/15 and 2015/16 to reflect the area of the building available for occupation by 3<sup>rd</sup> parties.

Open market value is defined, in accordance with the RICS valuation standards, as: "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties each had acted knowledgeably, prudently and without compulsion".



### **Investments**

For the Group, investments in Joint Ventures are the interests in Local Partnerships LLP and Geoplace LLP. Note **Error! Reference source not found.** provides the details of their formations and results.

Note 9 provides details of the Association's investments in Local Partnerships LLP and Local Capital Finance Company Limited.

Short Term investments are cash balances held by the Association and the companies it controls. These balances are pooled and deposited with financial institutions on the Association's approved counterparty list and in accordance with the Investment Strategy.

### **Stocks and Work in Progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes costs incurred in bringing each product to its present location and condition and is calculated as cost of direct materials and labour plus attributable overheads based on normal levels of activity. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

### **Income**

Income represents the amount receivable as grants, subscriptions and for goods sold and services provided (excluding Value Added Tax). Income from dividends due from Joint Ventures is identified separately within the Income and Expenditure account. Note 2 gives further analysis of income which is all generated in the UK.

### **Government Grants**

Grants are recognised in the Income and Expenditure accounts when the conditions for receipt have been met. Deferred grant income at the year end is included in creditors. Specific Grant is recognised in the financial statements in the period the related activities occur.

### **Debtors**

The policy of the Association and the companies it controls is to make partial provision for debts that are over one year old and full provision for debts that are over two years old, subject to exceptions for subscription debt and debt due from related entities, where the policy is not to make provision. Old debt is periodically reviewed for write-off.

### **Provisions**

Provisions when required are utilised to reflect restructuring costs of redundancies and contracts which have been agreed before the end of the financial year.

### **Employee benefits**

The LGA provides a range of benefits to employees, including paid holiday arrangements and the Local Government Pension Scheme defined benefit plan.

- (i) Holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) LGPS Pension costs:

New employees are entitled to membership of the Local Government Pension Scheme through either the Merseyside Pension Fund or the London Borough of Camden Pension Fund. Existing staff may be members of either of these Funds. The Local Government Pension Scheme is a defined benefit scheme and scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of liabilities within the defined benefit pension schemes expected to arise from employee service in the period are charged to the income and expenditure account.

The expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities arising from the passage of time and actuarial gains and losses are recognised in the statement of other comprehensive income as remeasurement of defined benefits pension scheme obligations. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments (included in staff costs). Past service costs are recognised immediately in the income and expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

### **Reserves**

The Contingency Reserve is created to provide cash resources to fund developments that provide opportunities to save costs or generate additional commercial income, fund external loan repayments, and also to cover the potential risks to the LGA medium term plan (such as increased pension deficit payments). Contributions to or from this reserve will be identified set so that the LGA and IDEA budgets for each year of the plan are balanced.

### **Status of the Association**

The Local Government Association is an unincorporated association governed by its constitution.

**LGA AND GROUP CHANGES****Transition to FRS102 – LGA Group Accounts**

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. Set out below are the adjustments which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 as a result of the changes to accounting policies between UK GAAP as previously reported and FRS 102.

<b>OPERATING SURPLUS FOR THE FINANCIAL YEAR</b>		<b>2015 £000</b>
<b>UK GAAP – As previously reported</b>		8,363
Defined benefit pension scheme	A	(53)
Reduced Depreciation – in year	B	30
<b>Total adjustment to profit for the financial year</b>		<u>(23)</u>
<b>FRS 102 Surplus</b>		<u><b>1,839</b></u>
 <b>OTHER COMPREHENSIVE INCOME</b>		 <b>2015 £000</b>
<b>UK GAAP – As previously reported</b>		(13,638)
Adjustment to surplus as above		(23)
Defined benefit pension scheme	A	53
Gain on revaluation of property	B	1,225
<b>Total adjustment to profit for the financial year</b>		<u>1,255</u>
<b>FRS 102 (Deficit)</b>		<u><b>(12,383)</b></u>

<b>Accumulated Funds</b>		<b>1 April 2014 £000</b>	<b>31 March 2015 £000</b>
<b>UK GAAP – As previously reported</b>		(52,775)	(66,608)
Add back historic buildings depreciation to the General Reserve opening balance	B	436	436
Depreciation Adjustment - in year operating Surplus	B		30
Property Gain added to Revaluation Reserve	C		1,225
Holiday Pay Accrual	D	(384)	(384)
<b>FRS 102</b>		<b>(52,723)</b>	<b>(65,301)</b>

**Notes:****A Defined benefit pension scheme**

Under previous UK GAAP the company recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. There has been no change in the defined benefit liability at either 1 April 2014 or 31 March 2015. The effect of the change has been to increase the credit to the profit and loss account in the year to 31 March 2015 by £53,000 and reduce the credit in other comprehensive income by an equivalent amount.

**B Depreciation adjustments**

The depreciation on the Local Government Building have been added back to the asset value as at 1 April 2014, and the 2014/15 charge has been removed Income and Expenditure account, increasing the general reserve by £466,000.

**C – Property gain**

Under FRS102 100 the property is now defined as a mixed use property in the **group accounts**. In the LGA Property Accounts it is treated as an Investment property. This means that for the group accounts a share of properties valuation, based on the use by external tenants, will be treated as an Investment property. This share (currently at 11.46% of the buildings usage) will be shown on the Groups balance sheet as an investment Asset. The resulting revaluation gain or loss will be shown on the statement of Comprehensive Income, and will be added to a Balance Sheet Revaluation Reserve. The Investment Asset value of Local Government House is now shown in the restated 2014/15 group balance sheet based on a total valuation as at 31 March 2015 of £30.7m, at £3.518m

**D - Holiday pay accrual**

FRS 102 requires short term employee benefits to be charged to the profit and loss account, for the period the employee service is received. This has resulted in the LGA and IDEA recognising a liability for holiday pay of £384,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. For the transition to 31 March 2015 it has been assumed, that liability at the 1 April 2014 was the same as at 31 March 2015, with the £384,000 liability charged to the General Reserves at the start of the accounting period.

Shown below are comparative extracts from the 2014/15 Accounts with the restated figures:

**2014-15 Accounts restated comparison****LGA Group**

**LG GROUP CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
Year ended 31 March 2015

	2015 £'000	Restated 2015 £'000	Difference £000
Income: Group and share of joint ventures' income	64,865	64,865	-
Less, share of joint ventures' income	(8,090)	(8,090)	-
Group Income	56,775	56,775	-
Administrative expenses	(49,149)	(49,172)	(23)
<b>OPERATING SURPLUS/(DEFICIT) BEFORE INTEREST</b>	<b>7,626</b>	<b>7,603</b>	<b>(23)</b>
Interest receivable and similar income	136	136	-
Interest payable	(386)	(386)	-
Contract restructuring costs	(236)	(236)	-
Share of operating surplus/(deficit) of joint ventures	1,787	1,787	-
Dividend and profits share from Joint Ventures	1,786	1,786	-
Finance discounts allowed	(534)	(534)	-
Share of joint ventures distribution to members	(1,816)	(1,816)	-
<b>OPERATING SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	<b>8,363</b>	<b>8,340</b>	<b>(23)</b>
<b>Other Comprehensive income:</b>			
Pension scheme - net interest costs	34	(3,293)	(3,327)
Pension scheme – past service costs and gains/losses on settlements and curtailments	(16)	(16)	-
Unrealised gain on revaluation in respect of investment property	4,450	5,675	1,225
Actuarial gain/(loss) recognised in respect of the pension fund	(36,464)	(33,084)	3,380
Actuarial gains - West Sussex to Merseyside transfer	9,995	9,995	-
<b>TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE FOR THE YEAR BEFORE AND AFTER TAX</b>	<b>(13,638)</b>	<b>(12,383)</b>	<b>1,255</b>

**LG GROUP CONSOLIDATED BALANCE SHEET**  
**As at 31 March 2015**

	<b>Restated</b>		
	<b>2015</b>	<b>2015</b>	<b>Difference</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>FIXED ASSETS</b>			
Tangible assets	16,716	14,889	(1,827)
Investment Properties	22,000	25,518	3,518
Intellectual Copyright Assets	1	1	-
Investments - LCFC	500	500	-
Investments in Joint Ventures:			-
Share of gross assets of joint ventures	6,784	6,784	-
Share of gross liabilities of joint ventures	(2,922)	(2,922)	-
	<u>43,079</u>	<u>44,770</u>	<u>1,691</u>
<b>CURRENT ASSETS</b>			
Debtors	8,146	8,146	-
Short term Investments	16,320	16,320	-
Cash at bank and in hand	2,686	2,686	-
	<u>27,152</u>	<u>27,152</u>	<u>-</u>
<b>CREDITORS: amounts falling due within one year</b>	(8,913)	(9,297)	(384)
<b>NET CURRENT ASSETS</b>	<u>18,239</u>	<u>17,855</u>	<u>(384)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	61,318	62,625	1,307
<b>CREDITORS: amounts falling due after more than one year</b>	(14,150)	(14,150)	-
<b>PROVISIONS FOR LIABILITIES</b>			-
Provision for contract restructuring	(236)	(236)	-
Provision for Organisaton restructuring	(680)	(680)	-
Pension fund deficit	(112,860)	(112,860)	-
<b>TOTAL NET LIABILITIES</b>	<u>(66,608)</u>	<u>(65,301)</u>	<u>1,307</u>
<b>ACCUMULATED FUNDS</b>			
General Reserve	29,515	29,597	82
Revaluation Reserve	16,737	17,962	1,225
Pension Deficits Reserve			-
- Pension Fund Assets	226,675	226,675	-
- less Defined Liabilities	(339,535)	(339,535)	-
	<u>(66,608)</u>	<u>(65,301)</u>	<u>1,307</u>

**NEW FINAL NOTE TO THE ACCOUNTS****Transition to FRS102 – LGA only – to be completed for all entities plus group**

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. Set out below are the adjustments which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 as a result of the changes to accounting policies between UK GAAP as previously reported and FRS 102.

<b>OPERATING SURPLUS FOR THE FINANCIAL YEAR</b>		<b>2015 £000</b>
<b>UK GAAP – As previously reported</b>		1,892
Defined benefit pension scheme	A	(53)
<b>Total adjustment to profit for the financial year</b>		<hr style="width: 100%; border: 0.5px solid black;"/> (53)
<b>FRS 102 Surplus</b>		<hr style="width: 100%; border: 0.5px solid black;"/> <b>1,839</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>2015 £000</b>
<b>UK GAAP – As previously reported</b>		(5,162)
(Adjustment to surplus as above)		(53)
Defined benefit pension scheme	A	53
<b>Total adjustment to profit for the financial year</b>		<hr style="width: 100%; border: 0.5px solid black;"/> 0
<b>FRS 102 (Deficit)</b>		<hr style="width: 100%; border: 0.5px solid black;"/> (5,162)

<b>Accumulated Funds</b>	<b>1 April 2014 £000</b>	<b>31 March 2015 £000</b>
<b>UK GAAP – As previously reported</b>	(25,078)	(30,239)
Holiday Pay Accrual	B (174)	(174)
	<hr/>	<hr/>
<b>FRS 102</b>	(25,252)	(30,413)
	<hr/>	<hr/>

**Notes:****A Defined benefit pension scheme**

Under previous UK GAAP the company recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. There has been no change in the defined benefit liability at either 1 April 2014 or 31 March 2015. The effect of the change has been to increase the credit to the profit and loss account in the year to 31 March 2015 by £53,000 and reduce the credit in other comprehensive income by an equivalent amount.

**B - Holiday pay accrual**

FRS 102 requires short term employee benefits to be charged to the profit and loss account, for the period the employee service is received. This has resulted in the LGA recognising a liability for holiday pay of £174,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. For the transition to 31 March 2015 it has been assumed, that liability at the 1 April 2014 was the same as at 31 March 2015, with the £174,000 liability charged to the General Reserves at the start of the accounting period.

Shown below are comparative extracts from the 2014/15 Accounts with the restated figures:



**2014-15 Accounts restated comparison**

<b>LOCAL GOVERNMENT ASSOCIATION INCOME AND EXPENDITURE ACCOUNT</b>			
<b>Year ended 31 March 2015</b>			
	<b>2015</b>	<b>Restated Difference</b>	
	<b>£000</b>	<b>2015</b>	
		<b>£000</b>	
Income	25,515	25,515	-
Administrative expenses	(23,623)	(23,676)	(53)
<b>OPERATING SURPLUS/(DEFICIT) BEFORE INTEREST</b>	<b>1,892</b>	<b>1,839</b>	<b>(53)</b>
Interest receivable and similar income	163	163	-
Contract restructuring costs	(236)	(236)	-
Finance discounts allowed	(534)	(534)	-
Dividend and profits share from Joint Ventures	361	361	-
<b>OPERATING SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	<b>1,646</b>	<b>1,593</b>	<b>(53)</b>
<b>Other Comprehensive income:</b>			
Pension scheme - interest cost	503	(845)	(1,348)
Pension scheme – past service costs and gains/losses on settlements and curtailments	(16)	(16)	-
Actuarial gain/(loss) recognised in respect of the pension fund	(7,295)	(5,894)	1,401
<b>TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(5,162)</b>	<b>(5,162)</b>	<b>0</b>

NB The 3 pension adjustments shown under other comprehensive income will be combined into a single “Remeasurement of net defined benefit obligation” disclosure in the new FRS102 accounts presentation.

<b>LOCAL GOVERNMENT ASSOCIATION BALANCE SHEET</b>			
<b>As at 31 March 2015</b>			
	<b>2015</b>	<b>Restated</b>	<b>Difference</b>
	<b>£000</b>	<b>2015</b>	
		<b>£000</b>	
<b>FIXED ASSETS</b>			
Investments	1,800	1,800	-
<b>LONG TERM DEBTORS:</b>			
Loans to Group companies	220	220	-
<b>CURRENT ASSETS</b>			
Debtors	6,685	6,685	-
Short term Investments	1,885	1,885	-
Cash at bank and in hand	718	718	-
	9,288	9,288	-
<b>CREDITORS: amounts falling due within one year</b>	<b>(2,324)</b>	<b>(2,498)</b>	<b>-</b>
<b>NET CURRENT ASSETS</b>	<b>6,964</b>	<b>6,790</b>	<b>(174)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>8,984</b>	<b>8,810</b>	<b>-</b>
<b>CREDITORS: amounts falling due after more than one year</b>	<b>(1,090)</b>	<b>(1,090)</b>	<b>-</b>
<b>PROVISIONS FOR LIABILITIES</b>			
Provision for contract restructuring	(236)	(236)	-
Provision for Restructuring	(393)	(393)	-
Pension Fund deficit	(37,504)	(37,504)	-
<b>TOTAL NET LIABILITIES</b>	<b>(30,239)</b>	<b>(30,413)</b>	<b>(174)</b>
<b>ACCUMULATED FUNDS</b>			
General reserves	7,265	7,091	(174)
Pension deficits reserves			-
-Pension fund assets	105,881	105,881	-
-less defined liabilities	(143,385)	(143,385)	-
	<b>(30,239)</b>	<b>(30,413)</b>	<b>(174)</b>

## **APPENDIX B - IDEA ACCOUNTS – ACCOUNTING POLICIES**

### **ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are described below.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Subsidiary Undertaking**

The Company has two subsidiaries, Local Government Information House Ltd and Public Sector Audit Appointments Ltd. Consolidated accounts are not prepared as the Company is itself a subsidiary of the Local Government Association, for which consolidated accounts are prepared. The Company's place of business is Local Government House, Smith Square, London SW1P 3HZ.

The accounts for Public Sector Audit Appointments Limited (PSAA) are not consolidated into these statements or the LGA Consolidated Accounts because neither entity exercises or has the ability to exercise control over PSAA and are not in a position to benefit from its results and financial performance.

#### **Going Concern**

The Company has net liabilities, after accounting for the defined benefit pension scheme deficits, of £75.356 million as at 31 March 2015. This position includes an actuarial estimate of the pension liabilities at the balance sheet date. The Company pays amounts into the schemes, as prescribed by the actuaries (note 14), in order to eliminate this deficit over a maximum of 15 years. The unfunded pension deficits are being repaid over the remaining lives of the pensioners concerned as detailed in note 14 **Error! Reference source not found.**

Under the arrangements agreed with the government following formal consultation, the Company became the sole specified body entitled to receive Revenue Support Grant (RSG) top-slice funding with effect from 1 April 2011. This funding is received on behalf of the Local Government Association and its related bodies. The level of funding has been formally determined by parliament for the year to 31 March 2016. Funding for the Company's principal grant-funded programmes has also been agreed by the funders. This secures the majority of the Company's income for the foreseeable future and the Directors have therefore adopted the going concern basis for the preparation of these accounts.

#### **Investments**

Investments are recognised at the lower of cost and net realisable value.

#### **Income**

Income represents the amount receivable as grants, subscriptions and for goods sold and services provided (excluding Value Added Tax). Income from dividends due from Joint

Ventures is identified separately within the Income and Expenditure account. Note 2 gives further analysis of income which is all generated in the UK.

### **Debtors**

The policy of the Company is to make partial provision for debts that are over one year old and full provision for debts that are over two years old, subject to exceptions for debt due from related entities, where the policy is not to make provision. Old debt is periodically reviewed for write-off.

### **Government Grants**

Grants are recognised in the Income and Expenditure account when the conditions for receipt have been complied with. Deferred grant income at the year end is included in creditors. The Company receives Revenue Support Grant which is recognised in the Income and Expenditure account on receipt and Specific Grant which is recognised in the accounts in the period the related activities occur.

### **Pension costs**

New employees are entitled to membership of the London Borough of Camden Council defined benefit pension scheme. Under the defined benefit plan, pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of liabilities within the defined benefit pension schemes expected to arise from employee service in the period are charged to the income and expenditure account.

The expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities arising from the passage of time and actuarial gains and losses are recognised in the statement of other comprehensive income as remeasurement of defined benefits pension scheme obligations. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments (included in staff costs). Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

### **Reserves**

The Contingency Reserve is created to provide cash resources to fund developments that provide opportunities to save costs or generate additional commercial income, fund external loan repayments, and also to cover the potential risks to the IDEA medium term plan (such as increased pension deficit payments). Contributions to or from this reserve will be identified set so that the IDEA budget for each year of the plan is balanced.

### **Company Status**

The Company is limited by guarantee and has no share capital. In the event of a winding up of the Company, each director's contribution towards the liabilities is limited to £1

**NEW FINAL NOTE TO THE ACCOUNTS****Transition to FRS102**

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. Set out below are the adjustments which reconcile the total equity as at 1 April 2014 and 31 March 2015 as a result of the changes to accounting policies between UK GAAP as previously reported and FRS 102.

<b>ACCUMULATED FUNDS</b>	<b>1 April 2014 £000</b>	<b>31 March 2015 £000</b>
<b>UK GAAP – As previously reported</b>	(48,964)	(62,064)
Holiday Pay Accrual	(211)	(211)
	<hr/>	<hr/>
<b>FRS 102</b>	<b>(49,175)</b>	<b>(62,275)</b>
	<hr/>	<hr/>

## Notes:

FRS 102 requires short term employee benefits to be charged to the profit and loss account, for the period the employee service is received. This has resulted in the IDEA recognising a liability for holiday pay of £211,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. For the transition to 31 March 2015 it has been assumed, that liability at the 1 April 2014 was the same as at 31 March 2015, with the £211,000 liability charged to the General Reserves at the start of the accounting period.

Shown below are comparative extracts from the 2014/15 Accounts with the restated figures:

<b>IMPROVEMENT AND DEVELOPMENT AGENCY INCOME AND EXPENDITURE ACCOUNT</b>			
Year ended 31 March 2015			
	<b>2015</b>	<b>Restated</b>	<b>Difference</b>
	<b>£000</b>	<b>2015</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
Income	41,498	41,498	-
Administrative expenses	(36,458)	(36,458)	-
<b>OPERATING SURPLUS/(DEFICIT) BEFORE INTEREST</b>	<b>5,040</b>	<b>5,040</b>	<b>-</b>
Interest receivable and similar income	78	78	-
Share of joint ventures distribution to members	1,425	1,425	-
<b>OPERATING SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	<b>6,543</b>	<b>6,543</b>	<b>0</b>
<b>Other Comprehensive income:</b>			
Pension scheme - net interest costs	(469)	(2,448)	(1,979)
Pension scheme – past service costs and gains/losses on settlements and curtailments	-	-	-
Actuarial gain/(loss) recognised in respect of the pension fund	(19,174)	(17,195)	1,979
<b>TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(13,100)</b>	<b>(13,100)</b>	<b>-</b>

NB The 3 pension adjustments shown under other comprehensive income will be combined into a single “Remeasurement of net defined benefit obligation” disclosure in the new FRS102 accounts presentation.

<b>IMPROVEMENT AND DEVELOPMENT AGENCY BALANCE SHEET</b>			
<b>As at 31 March 2015</b>			
	<b>2015</b>	<b>Restated Difference</b>	
	<b>2015</b>	<b>2015</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CURRENT ASSETS</b>			
Debtors	6,673	6,673	-
Short term Investments	12,200	12,200	-
Cash at bank and in hand	1,843	1,843	-
	<u>20,716</u>	<u>20,716</u>	<u>-</u>
<b>CREDITORS: amounts falling due within one year</b>	<b>(7,093)</b>	<b>(7,304)</b>	<b>(211)</b>
<b>NET CURRENT ASSETS</b>	<b>13,623</b>	<b>13,412</b>	<b>(211)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>13,623</b>	<b>13,412</b>	<b>(211)</b>
<b>CREDITORS: amounts falling due after more than one year</b>			
	(44)	(44)	-
Pension fund deficit	(75,356)	(75,356)	-
Restructuring Provision	(287)	(287)	-
	<u>(75,643)</u>	<u>(75,643)</u>	<u>-</u>
<b>TOTAL NET LIABILITIES</b>	<b>(62,064)</b>	<b>(62,275)</b>	<b>(211)</b>
<b>ACCUMULATED FUNDS</b>			
General reserves	13,292	13,081	(211)
Pension deficits reserves			
-Pension fund assets	120,794	120,794	-
-less defined liabilities	(196,150)	(196,150)	-
	<u>(62,064)</u>	<u>(62,275)</u>	<u>(211)</u>





**APPENDIX C - LGA PROPERTIES LIMITED – ACCOUNTING POLICIES****ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the holding of investment properties at valuation in accordance with SSAP 19 “Accounting for Investment Properties”.

**Tangible Fixed Assets and Depreciation**

Tangible fixed assets are held at historical cost, net of depreciation and provisions for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

<del>Freehold buildings</del>	<del>25 years</del>
Fixtures and fittings	15 years

**Investment Property**

The freehold land and buildings investment property, Local Government House, has been valued by an independent, external valuer on an open market basis at the Balance Sheet date. In accordance with the Statement of Standard Accounting Practice 19:

- the investment property will be revalued annually with the surplus or deficit transferred to the revaluation reserve, unless the deficit is considered to be permanent; and
- no depreciation or amortisation is provided.

Open market value is defined, in accordance with the RICS valuation standards, as: “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties each had acted knowledgeably, prudently and without compulsion”.

**Income**

Income represents the amounts receivable as rents and services provided (exclusive of Value Added Tax).

**Debtors**

The policy of the Association and the companies it controls is to make partial provision for debts that are over one year old and full provision for debts that are over two years old, subject to exceptions including debt due from related entities, where the policy is not to make provision. Old debt is periodically reviewed for write-off. In the year to 31 March 2015, no debts were written off as irrecoverable.

### **Derivative financial instruments**

Interest rate swap agreements, caps and collars are used to manage long-term interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to the interest expense over the period of the contracts.

### **Company Status**

The Company is limited by guarantee and has no share capital. In the event of a winding up of the company, each member's contribution towards the liabilities is limited to £1.

### **Going Concern**

The financial statements have been prepared on a going concern basis. The Directors consider that the going concern basis is appropriate because the Local Government Association and the related entities from which the Company's income derives have agreed budgets and financial plans which will ensure under present arrangements that the Company recovers the full costs of its operations through recharges and will continue to do so for the foreseeable future.

**LGA PROPERTY LIMITED CHANGES****NEW FINAL NOTE TO THE ACCOUNTS****Transition to FRS102**

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. Set out below are the adjustments which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 as a result of the changes to accounting policies between UK GAAP as previously reported and FRS 102.

<b>OPERATING SURPLUS FOR THE FINANCIAL YEAR</b>		<b>2015 £000</b>
<b>UK GAAP – As previously reported</b>		249
Depreciation charge removed	A	262
<b>Total adjustment to profit for the financial year</b>		<u>262</u>
<b>FRS 102 Surplus</b>		<u><b>511</b></u>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>2015 £000</b>
<b>UK GAAP – As previously reported</b>		249
(Adjustment to surplus above)		262
Gain on revaluation of property	B	10,689
<b>Total adjustment to profit for the financial year</b>		<u>10,951</u>
<b>FRS 102 Surplus</b>		<u><b>11,200</b></u>

<b>TOTAL ACCUMULATED FUNDS</b>		<b>1 April 2014 £000</b>	<b>31 March 2015 £000</b>
<b>UK GAAP – As previously reported</b>		2,126	2,126
Add back historic buildings depreciation to the General Reserve opening balance	A	3,807	3,807
Depreciation Adjustment - in year operating Surplus	A		262
Property Gain added to Revaluation Reserve	B		10,689
		5,932	16,884
<b>FRS 102</b>		5,932	16,884

**Notes:****A Depreciation adjustments**

The depreciation on the Local Government Building have been added back to the asset value as at 1 April 2014, and the 2014/15 charge has been removed Income and Expenditure account, increasing the general reserve by £4.069m.

**B – Property gain**

Under FRS102 100 the property is now defined as an investment property. This means any revaluation gain or loss will be shown on the statement of Comprehensive Income, and will be added to a Balance Sheet Revaluation Reserve. Local Government House is now shown in the restated 2014/15 Balance sheet at its valuation as at 31 March 2015 of £30.7m.

Shown below are comparative extracts from the 2014/15 Accounts with the restated figures:

<b>LOCAL GOVERNMENT PROPERTY INCOME AND EXPENDITURE ACCOUNT</b>			
<b>Year ended 31 March 2015</b>			
	<b>2015</b>	<b>Restated</b>	<b>Difference</b>
	<b>£000</b>	<b>2015</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
Income	2,097	2,097	-
Administrative expenses	(1,403)	(1,141)	262
<b>OPERATING SURPLUS/(DEFICIT) BEFORE INTEREST</b>	<b>694</b>	<b>956</b>	<b>262</b>
Interest receivable	7	7	-
Interest payable	(452)	(452)	-
<b>OPERATING SURPLUS/(DEFICIT) AFTER INTEREST</b>	<b>249</b>	<b>511</b>	<b>262</b>
<b>Other Comprehensive income:</b>			
Gain on revaluation of Property	0	10,689	10,689
<b>TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>249</b>	<b>11,200</b>	<b>10,951</b>

<b>LOCAL GOVERNMENT PROPERTY BALANCE SHEET</b>			
<b>As at 31 March 2015</b>			
	<b>2015</b>	<b>Restated</b>	<b>Difference</b>
	<b>£000</b>	<b>2015</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
<b>FIXED ASSETS</b>			
Tangible assets	16,716	774	(15,942)
Investment Property	0	30,700	30,700
	16,716	31,474	14,758
<b>CURRENT ASSETS</b>			
Debtors	336	336	-
Short term Investments	1,815	1,815	-
Cash at bank and in hand	71	71	-
	2,222	2,222	-
<b>CREDITORS: amounts falling due within one year</b>	<b>(2,032)</b>	<b>(2,032)</b>	<b>-</b>
<b>NET CURRENT ASSETS</b>	<b>190</b>	<b>190</b>	<b>-</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>16,906</b>	<b>31,664</b>	<b>14,758</b>
<b>CREDITORS: amounts falling due after more than one year</b>	<b>(14,780)</b>	<b>(14,780)</b>	<b>-</b>
<b>TOTAL NET ASSETS</b>	<b>2,126</b>	<b>16,884</b>	<b>14,758</b>
<b>ACCUMULATED FUNDS</b>			
General Reserve	2,126	6,195	4,069
Revaluation Reserve		10,689	10,689
	<b>2,126</b>	<b>16,884</b>	<b>14,758</b>



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# LGA location map

## Local Government Association

Local Government House  
 Smith Square  
 London SW1P 3HZ

Tel: 020 7664 3131  
 Fax: 020 7664 3030  
 Email: [info@local.gov.uk](mailto:info@local.gov.uk)  
 Website: [www.local.gov.uk](http://www.local.gov.uk)

## Public transport

Local Government House is well served by public transport. The nearest mainline stations are: Victoria and Waterloo: the local underground stations are

**St James's Park** (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

## Bus routes – Horseferry Road

- 507** Waterloo - Victoria
- C10** Canada Water - Pimlico - Victoria
- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

## Bus routes – Millbank

- 87** Wandsworth - Aldwych
- 3** Crystal Palace - Brixton - Oxford Circus

For further information, visit the Transport for London website at [www.tfl.gov.uk](http://www.tfl.gov.uk)

## Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

## Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone.

For further details, please call 0845 900 1234 or visit the website at [www.cclondon.com](http://www.cclondon.com)

## Car parks

Abingdon Street Car Park (off Great College Street)

Horseferry Road Car Park  
 Horseferry Road/Arneway Street. Visit the website at [www.westminster.gov.uk/parking](http://www.westminster.gov.uk/parking)

