

LGA Leadership Board

Agenda

Wednesday, 8 June 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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LGA Leadership Board
8 June 2016

There will be a meeting of the LGA Leadership Board at **2.00 pm on Wednesday, 8 June 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:

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Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3334	email: Labour.GroupLGA@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.group@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

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

LGA Contact:

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LGA Leadership Board – Membership 2015/2016

Councillor	Authority
Conservative (6)	
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
Labour (6)	
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
Independent (2)	
Cllr Marianne Overton MBE (Vice-Chair)	Lincolnshire County Council
Cllr Peter Reeve (Deputy Chair)	Cambridgeshire County Council
Liberal Democrat (2)	
Cllr Gerald Vernon-Jackson (Vice-Chair)	Portsmouth City Council
Mayor Dorothy Thornhill MBE (Deputy Chair)	Watford Borough Council

LGA Leadership Board Attendance 2015-16

	15/7/15	16/9/15	21/10/15	10/12/15	20/01/16	02/03/16	06/04/16
Councillors							
Conservative							
Lord Gary Porter	Yes	Yes	Yes	Yes	Yes	Yes	Yes
David Hodge	Yes	Yes	Yes	Yes	Yes	Yes	Yes
David Simmonds CBE	No	Yes	Yes	Yes	Yes	Yes	Yes
Philippa Roe	No	Yes	No	No	Yes	No	No
Peter Fleming OBE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sean Anstee	Via video	Via video	Yes	Yes	No	Yes	Yes
Labour							
Jim McMahon OBE	Via video	Yes	Yes	No	N/a	N/a	N/a
Mayor Sir Steve Bullock	No	Yes	Yes	Yes	Yes	Yes	Yes
Sharon Taylor OBE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Keith Wakefield OBE	Yes	No	Yes	Yes	Yes	No	No
Nick Forbes	No	Yes	Yes	Yes	Yes	Via video	Yes
Anne Western	No	Yes	No	Yes	Yes	No	Yes
Sue Murphy	N/a	N/a	N/a	N/a	N/a	No	Yes
Independent							
Marianne Overton MBE	Yes	Yes	Yes	Yes	Yes	Yes	No
Peter Reeve	Yes	Yes	Yes	No	Yes	Unable to VC	No
Liberal Democrat							
Gerald Vernon-Jackson	No	Yes	Yes	Yes	Yes	Yes	Yes
Mayor Dorothy Thornhill MBE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observer / In attendance							
Tony Jackson		Yes					
Jacqui McKinlay		Yes					
Peter Box			Yes				Yes
Izzi Seccombe			Yes				
Sir Richard Leese CBE				Yes			Yes
Mark Hawthorne MBE				Yes			Yes

Agenda

LGA Leadership Board

Wednesday 8 June 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, 20 July 2016, 2.00 pm, Smith Square
1&2, Ground Floor, Local Government House, Smith Square, London, SW1P
3HZ

Queen's Speech 2016

Purpose of the Report

For direction.

Summary

This report updates the Leadership Board on the Queen's Speech - setting out the key legislation affecting local government in the 2016 Queen's Speech - and seeks approval on the Bills the LGA should prioritise for the purpose of its lobbying.

Recommendation

That the LGA Leadership Board approve the suggested priority Bills for the LGA in the 2016/17 parliamentary session. This will identify where our resources should be focused to ensure we deliver the best possible outcomes for local government.

Action

As directed by Members.

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Queen's Speech 2016

Prioritisation of Bills

1. Each year following the Queen's Speech the LGA prioritises the key legislation that the organisation will seek to influence. This prioritisation ensures that, by focusing our lobbying, the best results are achieved for local government. Based on feedback from our Boards, and following an assessment of the implications of the Government's legislative agenda, we are using the following system of prioritisation:
 - 1.1. **High profile engagement:** For a Bill identified as high profile, the LGA campaigns at each stage of the Bill's passage through Parliament, work with our network of MPs and Peers to table amendments, use media and stakeholder engagement to keep it on the national agenda, and engage closely with the government department leading the legislation.
 - 1.2. **Medium profile engagement:** For legislation that is important, but does not require as much active lobbying, we will ensure, through constructive engagement with officials, the Bill does not negatively impact on local government. These Bills will be managed under the medium profile category as our engagement is usually limited to advising on the detail of the Bill. However, if the Bill changes negatively during its passage, it can be reclassified into the 'high' category.
 - 1.3. **Monitoring:** For legislation that has limited impact on local government, or is not captured by our corporate priorities, the LGA will seek to monitor its progress. The status of Bills categorised under 'monitoring' will be reviewed to ensure that any changes do not require more active participation and lobbying by the LGA.
2. Set out below is the proposed prioritisation of the legislation that has been identified as being of interest to local government.

Priority		
High profile engagement	Medium profile engagement	Monitoring
Buses Services Bill	Counter-Extremism and Safeguarding Bill	Criminal Finances Bill
Children and Social Work Bill	Digital Economy Bill	Investigatory Powers Bill
Education for All Bill	National Citizens Service Bill	Modern Transport Bill
Local Growth and Jobs Bill		Modern Transport Bill
Policing and Crime Bill		NHS Overseas Charging Bill
Neighbourhood Planning and Infrastructure Bill		Prison and Courts Reform Bill

Priority		
High profile engagement	Medium profile engagement	Monitoring
		Soft Drinks Industry Levy
		Wales Bill

High Profile engagement

Bus Services Bill

3. The Bus Services Bill will give elected mayors and local transport authorities the power to improve bus services for the people who use them. Mayoral combined authorities would be given London-style powers to franchise local services. Data about routes, fares and times would be made available across the country to developers of apps to give passengers better information about how to make the most of local bus services.
4. Following a previous steer by Leadership Board, it is recommended the LGA work on this as a high profile Bill as it is an opportunity to highlight the need for local areas to take responsibility for bus services through the option of franchising. We will call for this option to be given to all local authorities who wish to improve bus services in towns, villages and rural areas that are poorly served at present. It is important that all councils, regardless of whether they are part of a combined authority or have a Mayor, also have access to franchising powers. We will call for local government, rather than the Secretary of State, to be given the power to agree franchising bids. Greater access to buses data will also help local people to access vital services.
5. We will also highlight how, to be fully effective, the option to franchise needs to go hand-in-hand with the devolution of bus subsidies, a commitment to fully fund concessionary fares and effective traffic management powers.

Children and Social Work Bill

6. The Children and Social Work Bill includes measures to boost adoption rates by requiring courts and social workers to take account of a child's need for stability up to the age of 18, extend personal adviser support for care leavers up to the age of 25, require councils to consult on and publish a local offer for care leavers, establish a new specialist regulator for social work, and allow local authorities to pilot new, innovative approaches to children's social care.
7. It is recommended that the legislation be a high priority for the LGA as this will have an impact on councils. We will highlight how many of the provisions outlined have the potential to support the good work already taking place in local authorities across the country, and could make a real difference to the lives of vulnerable children and young people. It will also be important to highlight that adoption is not right for every child and the need for support for care leavers to be fully funded. Improving the regulation of social workers will increase public confidence in the profession. However, we will make the points that any changes should not be overly bureaucratic so as to avoid deterring people from the social work profession and any new burdens on local government should be funded.

Education for All Bill

8. The Education for All Bill will end the statutory role of councils in school improvement by removing their duty to promote high educational standards in local schools. It will give the Secretary of State new powers to force all schools in a council area to become academies if she considers that the council is underperforming or unviable in its support for local schools and will take forward other proposals in the Education White Paper. It will implement the Government's manifesto commitment to make school funding fairer.
9. We will use this Bill to continue to highlight our opposition to any forced academisation. We will make the case that councils are amongst the country's most effective education leaders as evidenced by the 81 per cent of council maintained schools rated by Ofsted as Good or Outstanding, compared to 73 per cent of academies and 79 per cent of free schools. The Bill is also an opportunity for the LGA to raise our concerns that Regional School Commissioners (RSCs) may lack the capacity and local knowledge of each individual commissioner to hold more than 2,500 schools to account effectively.

Local Growth and Jobs Bill

10. The Local Growth and Jobs Bill will provide the framework to underpin the move to full collective retention of business rates by English local government. It will legislate for the set of responsibilities that will be devolved to local authorities as a result of the reforms. The Bill would give the ability to combined authority mayors to levy a supplement on business rates bills to fund new infrastructure projects, provided they have the support of the business community through the Local Enterprise Partnership.
11. This Bill is a high priority for us as the move towards local government as a whole keeping 100 per cent of its business rates income is something the LGA has called for on behalf of councils. Our advocacy on the legislation will support the LGA's work with the Government to ensure the new system works effectively and maximises the potential it offers to local communities and businesses.
12. We will also use the Bill to make the point that it is absolutely crucial that the amount of extra business rates income kept by councils matches the cost now and in the future of any new responsibilities or transferred grants they agree to take on. It will also be an important opportunity for us to highlight our call for the reform of the appeals system.

Policing and Crime Bill

13. The Policing and Crime Bill is a carryover Bill that requires emergency services to collaborate, makes provision for a Police and Crime Commissioner (PCC) to take responsibility for the Fire and Rescue Service (FRS) in their area and to create a single employer for police and fire. Where PCCs do not take over FRS responsibility, the Bill enables a PCC to be represented on an FRA (outside London) with voting rights, where the FRA agrees. The Bill also amends the definition of alcohol to cover powdered alcohol and extends the powers of councils to suspend or revoke personal licences. The Bill includes provisions to reduce the use of police cells as places of

safety for people with mental health problems. The Bill is about to move to the House of Lords having completed its passage through the Commons.

14. The Policing and Crime Bill will continue to be a priority for the LGA as we will make the case that Fire and Rescue Authorities have been collaborating with other emergency services for a long time and further progress is being made. There is therefore no need to compel services to collaborate. We will also argue that PCCs should only take on responsibility for their FRS where this has been agreed by the relevant Fire and Rescue Authority.

Neighbourhood Planning and Infrastructure Bill

15. The Neighbourhood Planning and Infrastructure Bill will legislate to establish the independent National Infrastructure Commission on a statutory basis, to further strengthen neighbourhood planning, to alter pre-commencement planning conditions processes, and to make the compulsory purchase order process clearer. The Bill will also take the Land Registry out of public ownership from 2017.
16. This Bill is recommended as a high priority as it presents an opportunity to highlight how councils are responding positively to neighbourhood planning and are engaging and providing support accordingly. We will also make the case that the Bill provides an opportunity to introduce stronger compulsory purchase powers where planning permissions have expired and development has not commenced.
17. Elsewhere in the Bill, we have already supported the creation of the National Infrastructure Commission (NIC) and the potential it has to provide an independent and long-term articulation of the country's strategic infrastructure. We will also highlight that the Land Registry has a high customer satisfaction rate and has returned money to HM Treasury. Therefore measures to reform its status and operations must continue to ensure the quality and comprehensive nature of the data it holds.

Medium profile engagement

Counter-Extremism and Safeguarding Bill

18. The Counter-Extremism and Safeguarding Bill will introduce a new civil order regime to restrict extremist activity, and introduce powers to intervene in unregulated education settings which teach hate. The Government will also consult on introducing powers to intervene where councils fail to tackle extremism, and will consider the need for further legislation following the publication of government adviser Louise Casey's review into integration.
19. Local authorities work closely with the Government to tackle extremism and have built up considerable experience in dealing with extremism and its impact on communities. The Government should assist councils in sharing existing good practice rather than consult on the need for new powers of intervention. Further legal powers will assist in tackling some extremist individuals and organisations and protecting communities from them. However, preventing people from being radicalised and engaging in extremist activity means understanding and building relations with communities, better

understanding of the reasons why some people are vulnerable to radicalisation, and what can be done to make them more resilient to extremist views and propaganda.

20. It is recommended we work with the Government to highlight the need for a sustained programme of work over time by local partners as they know and understand the areas they are working in. The LGA will make the point that powers and responsibilities should be devolved to give multi-agency arrangements the freedom and flexibility to respond to local circumstances.

Digital Economy Bill

21. The Digital Economy Bill will seek to modernise the climate for enterprise, making sure Britain remains at the forefront of the global 21st century economy. It will include giving every household and business a legal right to a fast broadband connection; new laws to help telecommunications providers build the infrastructure needed for faster broadband and better mobile networks; allowing consumers to be automatically compensated when things go wrong with their broadband service; and reforms the way the Government uses data to deliver public services.
22. It is recommended that this Bill be categorised as medium profile as we lobbied for and secured a commitment to create a broadband Universal Service Obligation (USO) as a safety net for those residents and businesses with poor connectivity; and we will continue to work with the Government and Ofcom on the detail. We will argue that to ensure the new national minimum standard keeps pace with average speeds across the country, the USO minimum download speed should be defined as a percentage of the national average.
23. The Bill is a further opportunity to make the point that it is important commercial operators work in partnership with councils, who maintain the best overview of local areas' digital connectivity needs, to find the most viable locations for new infrastructure and ensure communities are properly engaged. We also welcome moves to allow consumers to receive compensation when their broadband services are below standard. As a minimum, residents and businesses need to be supplied with adequate and reliable speeds that allow them to access 'digital by default' public services – like Universal Credit, or renewing a driving licence – at peak times. We will seek clarification on how a connection's performance will be judged, and will push for the compensation process to be simple with an obligation on providers to resolve issues.

National Citizen Service Bill

24. This National Citizen Service Bill will create a new statutory framework to deliver an expanded National Citizen Service, and place a duty on secondary schools and local authorities to promote the legislation to young people and their parents.
25. The National Citizen Service is a good scheme that provides positive experiences for many children and young people (the Government is proposing to allocate £1.1 billion in funding for it over the course of this Parliament). With many local services under pressure since 2010 following substantial reductions to local government funding, we will make the point that it is vital that money to run the scheme should not be at the expense of local services for young people. We will also make the point that if local authorities are to actively promote the legislation, it is essential that there is a

reciprocal duty on providers to engage with local authorities, including a duty to share relevant data.

Monitoring

Criminal Finances Bill

26. The Criminal Finances Bill will reform the law on recovering the proceeds of crime by implementing a more effective regime to support reporting of suspicious financial activity, making it easier to seize illicit funds, and to improve coordination between the public and private sectors to tackle criminal financial behaviour.
27. The LGA will monitor the Bill as it is passed by Parliament as local authority trading standards officers, as well as teams involved in licensing, planning and environmental health, actively use the Proceeds of Crime Act to recover money from criminal activity. The proceeds recovered are then used to compensate victims as well as invested in further enforcement and investigation activity. We will also make the point that, in addition to increasing the ability of those law enforcement agencies that make greater use of the proceeds of crime legislation to recover criminal assets, the Bill should make it easier for local authorities to recover the proceeds of crime from offenders more effectively.

Investigatory Powers Bill

28. The Investigatory Powers Bill carries over from the last parliamentary session. It sets out a number of measures about the interception of communications, equipment interference and the acquisition and retention of communications data. In particular for councils, it puts forward measures to increase oversight of access to, and use of, communications data.
29. We will continue to support the safeguards identified as an important means of ensuring public confidence. We are however calling for the process of judicial authorisation to be simplified so that it does not hinder appropriate use of communications data by councils. We will also make the point that local authorities have an important role in protecting consumers and businesses from fraud and similar types of criminal activity. Although they are not the main users of communications data, teams within councils, such as trading standards, use communications data to tackle a range of criminal activity like rogue traders and loan sharks, who prey on the most vulnerable in society.

Modern Transport Bill

30. The Modern Transport Bill will put in place the conditions to ensure the UK is at the forefront of innovation development of new forms of transport, including driverless and autonomous vehicles.
31. We will monitor developments with this Bill as it is important that UK industry should be supported to play a leading role in the research and development of new technologies and innovations that will improve our transport system. We have however made the point that before tackling the implications of new technology, the Government should

address the reliance on the out of date legislation governing taxi and private hire vehicles (PHVs).

NHS (Overseas Visitors Charging) Bill

32. The NHS (Overseas Visitors Charging) Bill will introduce measures to extend the rules on charging migrants and overseas visitors for NHS treatment to ensure that cost recovery is effective and efficient and the full cost of care is recovered. We will monitor this Bill and make the point that councils provide accommodation and financial assistance to destitute migrant families. In order to avoid further pressures on local authorities, those changes that affect local government should be fully funded.

Prison and Courts Reform Bill

33. The Prison and Courts Reform Bill will reform the way prisons are managed to ensure there is a greater emphasis on rehabilitating offenders, with governors given greater freedom in the running of their prisons. It will also reform courts and tribunals to deliver faster and fairer justice by making better use of technology and modernising working practices.
34. We will monitor this legislation as we have long argued that prison is not effective in rehabilitating offenders. A greater emphasis on rehabilitation and supporting offenders out of a life of crime will help reduce crime rates further and make communities safer.

Soft Drinks Industry Levy

35. The Finance Bill 2017 will include a new soft drinks levy targeted at producers and importers of soft drinks that contain added sugar. The levy will come into effect from April 2018.
36. We will monitor developments as childhood obesity is a serious public health challenge and councils have called for measures to be introduced to tackle the sugar content of soft drinks. We will continue to make the point that local government has already been active in tackling child obesity as evidenced the increase in innovative prevention programmes following the transfer of responsibility for public health in 2013 to councils.

The Wales Bill

37. The Wales Bill seeks to grant the Welsh Assembly additional powers over energy, transport, the environment, and National Assembly and local elections. The LGA will monitor this legislation as we are working together with COSLA, WLGA and NILGA to call for the freedom to work with our communities at a local level and to identify priorities that matter most to them.

Communications Strategy and Action Plan 2012/13 to 2015/16

Purpose of report

To outline communications activity against targets in our three-year communications strategy and plan and to report on the period April 2015 to March 2016.

Summary

Since December 2012, and following the publication of our three-year communications strategy and plan, a monitoring and evaluation system has been developed to allow tracking and recording of key communications activity. This report sets out our performance against key metrics. The strategy and plan contains a series of key performance indicators, which together, contribute to influence perceptions and the reputation of the organisation.

Our strategy has a clear focus to support the organisation's strategic priorities and deliver improved outcomes through the full range of communications activities. The key measurement is our 'informed' rating which in the last year, against our key target of 'those who feel we keep them very or fairly well informed' has increased from 79 per cent to 83 per cent.

Over the period of the strategy, there has been a steady improvement against all of our key targets – contributing towards the overall satisfaction levels in our annual perceptions survey.

Recommendation

That the LGA Leadership Board is asked to note the communications performance against our three-year strategy and communications activity for the period April 2015 to March 2016.

Action

As directed by Members.

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Communications Strategy and Action Plan 2012/13 to 2015/16

Background

1. Effective communications contributes to enhancing our overall reputation with our member councils, Parliamentarians, the media and increasingly, residents. Our communications strategy has a clear objective - to position ourselves as the credible, national voice of local government. It sets out our strategy and key targets, aimed at further raising our profile and reputation, based on delivering high quality, proactive communications, with a clear focus on the priority areas for our member councils. To help us achieve this, we have positioned the Local Government Association as the 'come to' organisation on all matters which affect councils by ensuring we provide a strong voice for local government on the key issues they tell us are important for them. In addition, we work to promote improvement and good practice.
2. Campaigning and public affairs activity on behalf of local government remains a key priority for our member councils (90 per cent rate lobbying on behalf of local government as important). In our perceptions survey, **77 per cent** of member councils believe we effectively represent their views to central government.
3. Since the strategy was approved, we have also developed our communications support offer and we are currently supporting 52 councils with various elements of communications support. We have also developed our commercial offer and currently undertake paid communications work for four organisations. Both of these elements of our work will be further developed over the next year.
4. Over the period of the strategy we have developed our strategic approach to high-class communications ensuring all of our channels are fully integrated. As well as regular reviews, we also incorporated the findings of our corporate peer review into our overall approach
5. In addition, we have developed more sophisticated models to measure and evaluate our communications activity and impact. These will be further developed over the life of our next strategy.
6. Our strategy for 2012/13 to 2015/16 set out our key targets aimed at delivering a first class communications service. These covered the main drivers of reputation, engagement with members and influencing. It also included a target to deliver high quality communications activity which is 75 per cent proactive.
7. One of the key aims of the strategy is to position members at the heart of everything we do. The results of this year's perceptions survey, presented to members in April shows the overall progress the organisation has made over the last three years.
8. The table below sets out our performance over the period of our communications strategy and plan.

Measure	2012/13	2013/14	2014/15	2015/16
Key drivers of reputation				
1 Member authority satisfaction (with the LGA)	63%	70%	75%	76%
2 Member authority advocacy rating (for LGA)	63%	73%	72%	75%
3 Member authority informed (LGA)	69%	77%	79%	83%
4 Value for money rating (of the LGA)	46%	53%	53%	56%
Media relations				
5 Episodes of media coverage (all)	20,603	29,765	27,568	32,091
6 Episodes of media coverage (national)	483	1,182	1,439	1,729
7 Proactive media coverage	58%	67%	79%	83%
Campaigns and public affairs				
8 Effectiveness rating with MPs	46%	61%	48 %	46%
9 Effectiveness rating with Peers	60%	60%	54%	58 %
10 Awareness recall of campaigns in Parliament (Average)	34%	38%	35%	82%

9. Work is now underway to develop our communications strategy and plan for 2016/17 to 2019/20, to be agreed by Leadership Board. This will build on our work over the last three years and further develop our approach to measurement and evaluation so that we present more integrated reports to Leadership Board.

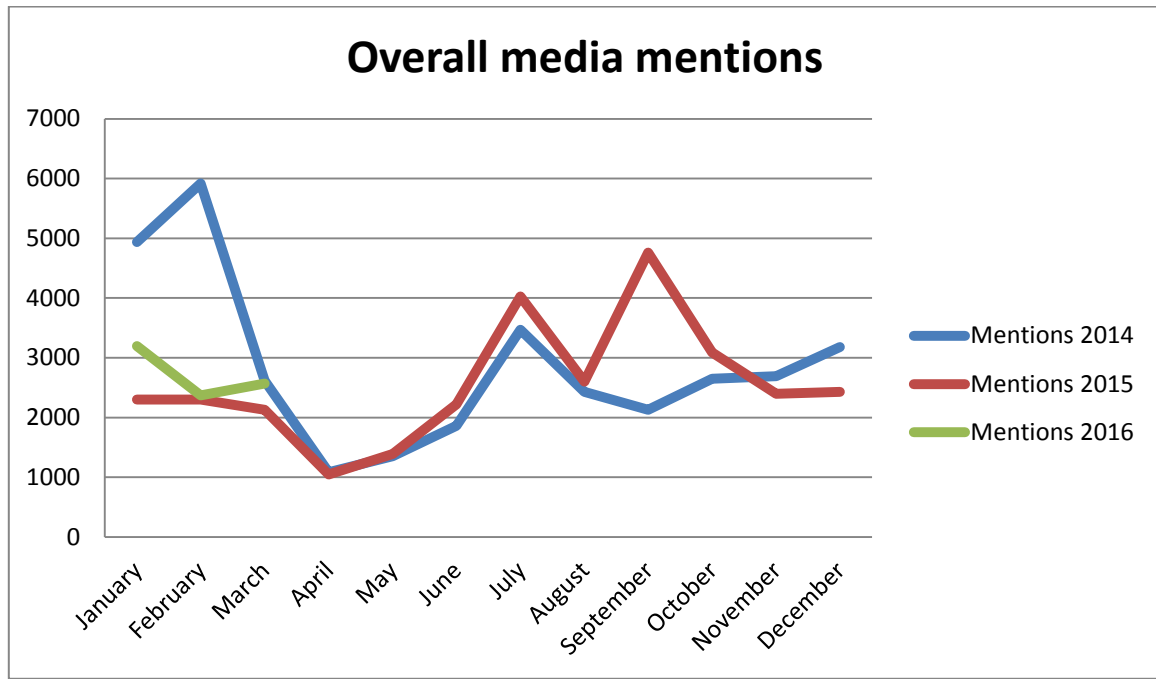
Summary of performance 2012/13 – 2015/16

10. In the last year, we have continued to represent local government strongly through our increased media coverage, priority campaigns, in Parliament and increasingly, through our growing digital offer. Through that work and our engagement with our members, our 'informed' rating amongst councillors and officers increased from 79 per cent to 83 per cent. This has continued the trend which has seen an increase from a base figure of 69 per cent in 2012/13.
11. The last 12 months has seen a continuation of the increase in national media coverage and volume of positive stories for local government as well as our parliamentary and digital activities which show improvements in both areas. The main results for the past 12 months are:
 - 11.1. National media mentions up **20 per cent year-on-year** from **1,439** in the previous 12 months to **1,729** during this current period.
 - 11.2. The LGA was mentioned **578** times in the House of Commons and **314** times in the House of Lords in the 2015/16 parliamentary session. This means that on average the LGA was quoted **three times a day** when Parliament sat to debate policy and legislation.
 - 11.3. The @LGACOMMS twitter account had a potential reach of **53 million people** over the last year.
 - 11.4. Of the **60 events** delivered this financial year, **61 per cent** were free to attend for delegates attending from our member authorities and **26 per cent** were fully commercial.

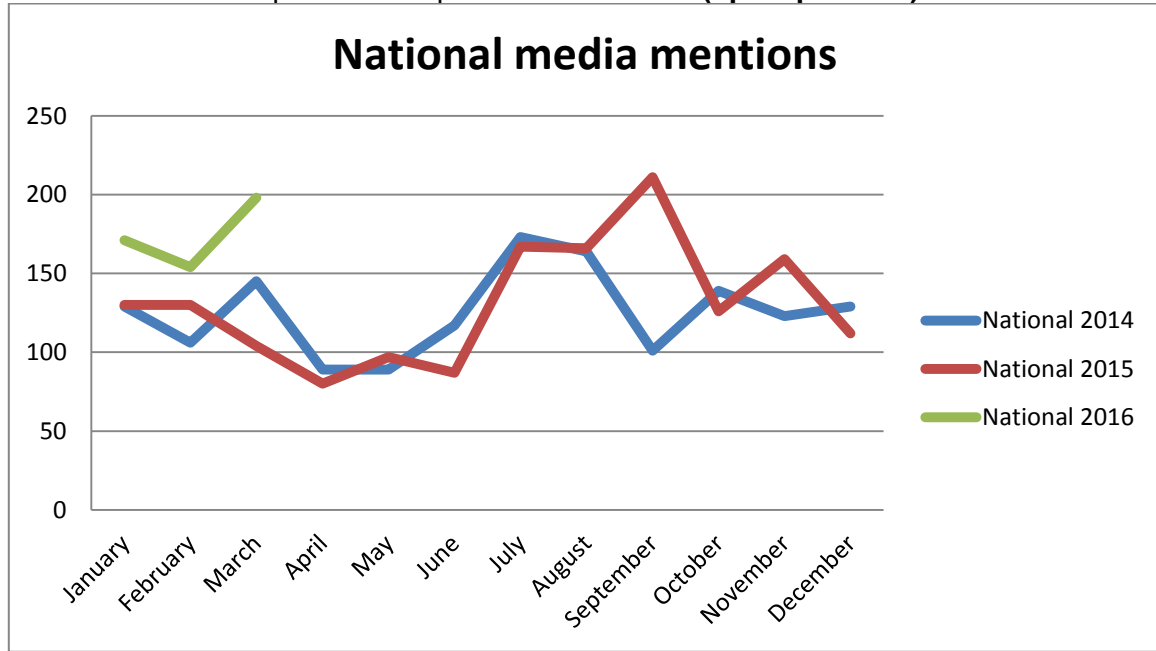
Media activity April 2015 to March 2016

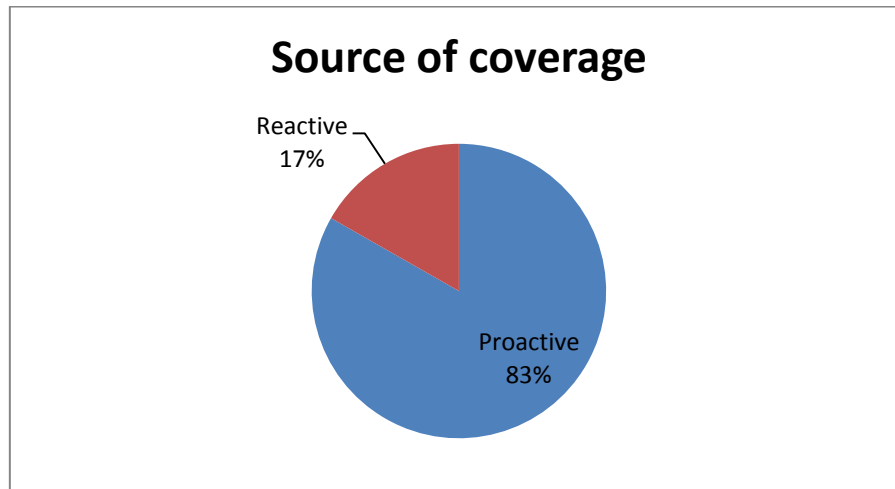
1. The following sets out all media coverage, including national media coverage, for the period April 2015 to March 2016 in comparison with the previous 12 month period.

	April 2015 – March 2016	April 2014 – March 2015
Mentions (all)	32,091	27,568
National (Print, online, broadcast)	1,729	1,439

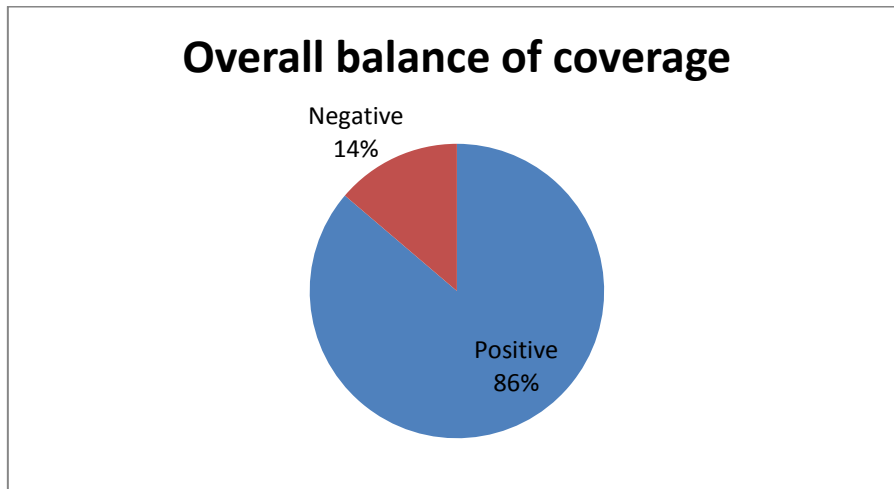


2. The last 12 months has seen national media coverage increase by **290** media mentions compared to the previous 12 months (**up 20 per cent**).





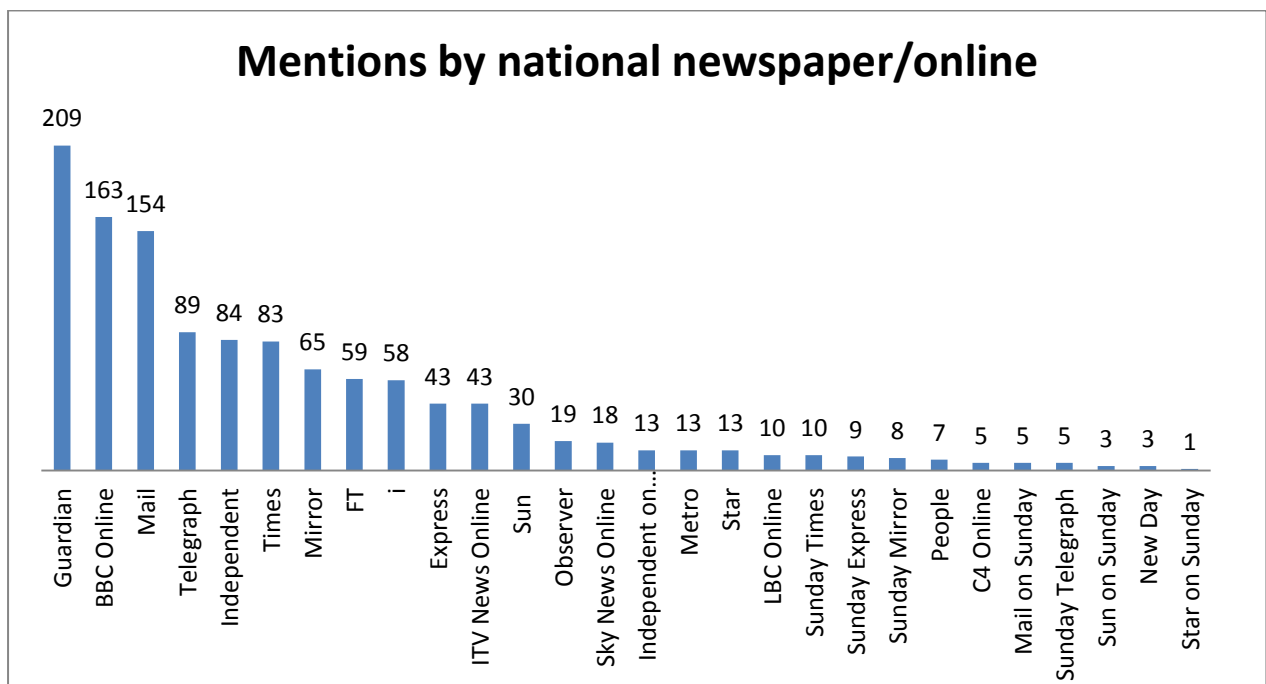
3. **83 per cent** of coverage in the past 12 months was through pro-active work. This is a **4 per cent** increase from **79 per cent** for the 12 months to March 2015. This was driven by our sustained work around our Annual Conference and the launch of our campaign document 'Spending Smarter: A Shared Commitment', the Spending Review, Local Government Finance Settlement and key legislation such as the Housing and Planning Bill.
4. Successful proactive releases throughout the year included:
 - 4.1 Refugee funding (**89 episodes of media coverage**)
 - 4.2 Spending Review/Local Government Finance Settlement (**49 episodes of media coverage**)
 - 4.3 Plans to convert all schools to academy status (**46 episodes of media coverage**)
 - 4.4 Schools facing places 'tipping point' (**40 episodes of media coverage**)
 - 4.5 Spending Review announcements on social care (**29 episodes of media coverage**)
 - 4.6 Schools (**25 episodes of media coverage**)
 - 4.7 LGA calls for updated laws to tackle 'legal highs'/Legal highs ban will enable closure of 'head shops' (**24 episodes of media coverage**)
 - 4.8 Cllr Izzi Seccombe writes to Jeremy Hunt MP on Phase 2 of the Care Act reforms/ Care Act delays (**24 episodes of media coverage**)
 - 4.9 475,000 homes with planning permission still waiting to be built (**23 episodes of media coverage**)
 - 4.10 Construction skills shortage threatens government housebuilding pledge (**20 episodes of media coverage**)
 - 4.11 Rogue landlords (**20 episodes of media coverage**)
 - 4.12 Finance - Council tax rises will not fix social care funding crisis (**19 episodes of media coverage**)



5. **86 per cent** of our coverage this year was positive, an increase compared to **84 per cent** for the year to March 2015.

Print and online media

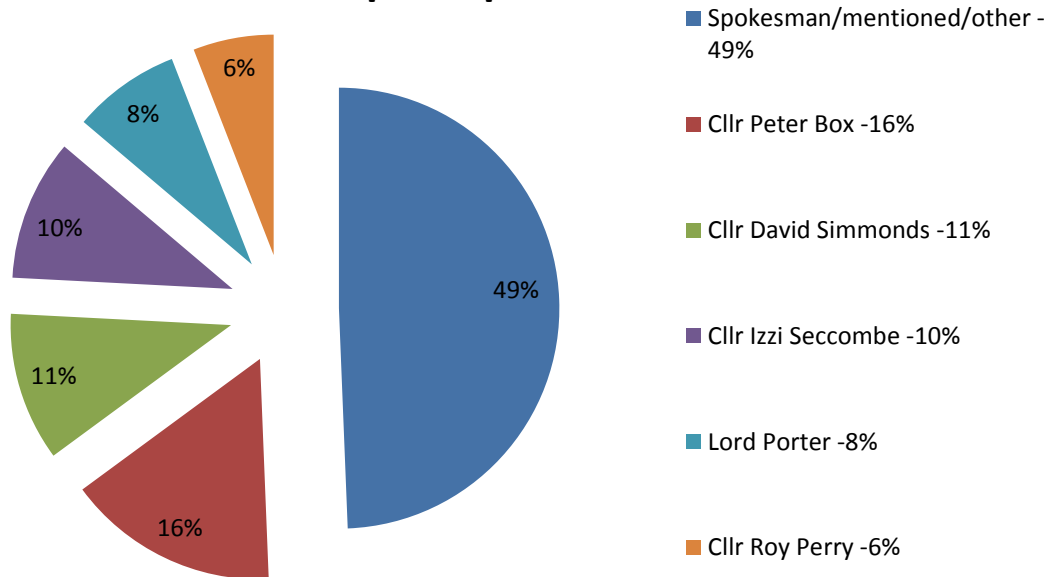
6. The following sets out national newspaper and online coverage for the period April 2015 to March 2016.



7. The LGA appeared in **every** national daily and weekend newspaper and online broadcaster this year, featured most in the **Guardian** with **209** mentions. Our coverage was also reported widely by **BBC Online (163 times)** and the **Mail (154 mentions)**.

8. Key coverage throughout the year included set-piece interviews with Chairman Lord Porter running in the **Telegraph**, **Financial Times** and **Guardian** on the day of the Spending Review (SR). Our media lines in response to the SR were covered extensively in the national media including in three separate **Guardian** pieces, **BBC Online**, **Times**, **FT**, **Mirror**, **Mail** and **Independent**.
9. We worked closely with the **Press Association** looking at the impact of funding reductions over the last Parliament, which was reported by the **Times**, **Mirror** and **Mail**. This resulted in coverage of our key SR messages both ahead of the SR and on the day of the SR itself.
10. A media briefing was also held following the Spending Review to explain what it meant for local government. This was well attended and led to stories highlighting the LGA's analysis in the **Observer**, **Sun on Sunday**, **Sunday Express**, **Independent on Sunday**, **Sunday Times**, **BBC Online**, **BBC News**, **ITV News** and **Sky News**.
11. Our media work has been a central part of our lobbying around the Housing and Planning Bill. Our research on the number of unbuilt homes with planning permission was reported on the **BBC**, **FT**, **Guardian**, **Telegraph** and **Mail Online**. Housing spokesman Cllr Ed Turner also discussed the findings on **BBC Radio 4's Today Programme**. LGA-commissioned analysis from Savills on aspects of the Bill were used in press releases widely reported by the media. Our opposition to the forced sale of council homes to fund the Right to Buy extension was covered in the **Independent** and **i paper** and on **Guardian**, **Online**, **Mirror Online** and **BBC Online**.
12. Separate Savills research on the number of social housing tenants who would be affected by the new Pay to Stay policy made the front of the **Observer** and was followed up by the **BBC**, **Mirror**, **Sky News**, **Independent**, **Times** and **Sun**. Our report warning that starter homes will remain unaffordable for many was also covered widely in the **Mirror**, **Independent**, **FT**, **Guardian**, **Mail** and **ITV**. As the Bill arrived in the Lords, we placed a letter – signed by all four LGA group leader – in the **Observer** calling on peers to accept a number of key amendments.
13. We analysed how many councils would be using the 2 per cent social care council tax precept in 2016/17. We worked closely with the BBC to warn that the income would barely cover the cost of the National Living Wage, let alone ease the social care funding crisis. It was reported across **BBC News**, **Today** and **5 Live** and also in the **FT**, **Express**, **Times**, **Independent**, **Mirror**, **Mail** and **Independent**.

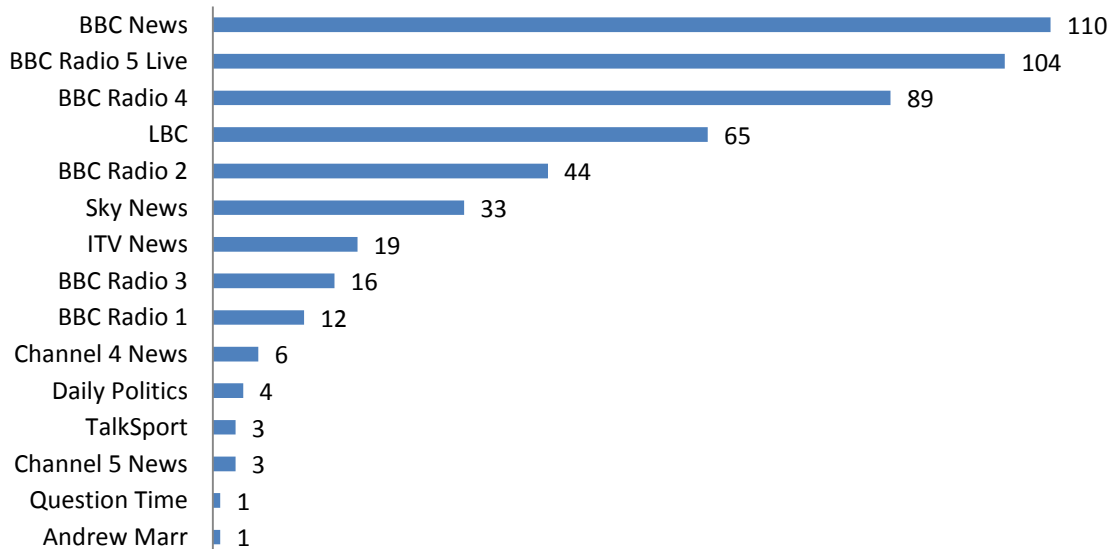
Mentions (national and online) by spokesperson



Broadcast media

14. The following sets out broadcast activity for the period April 2015 to March 2016.

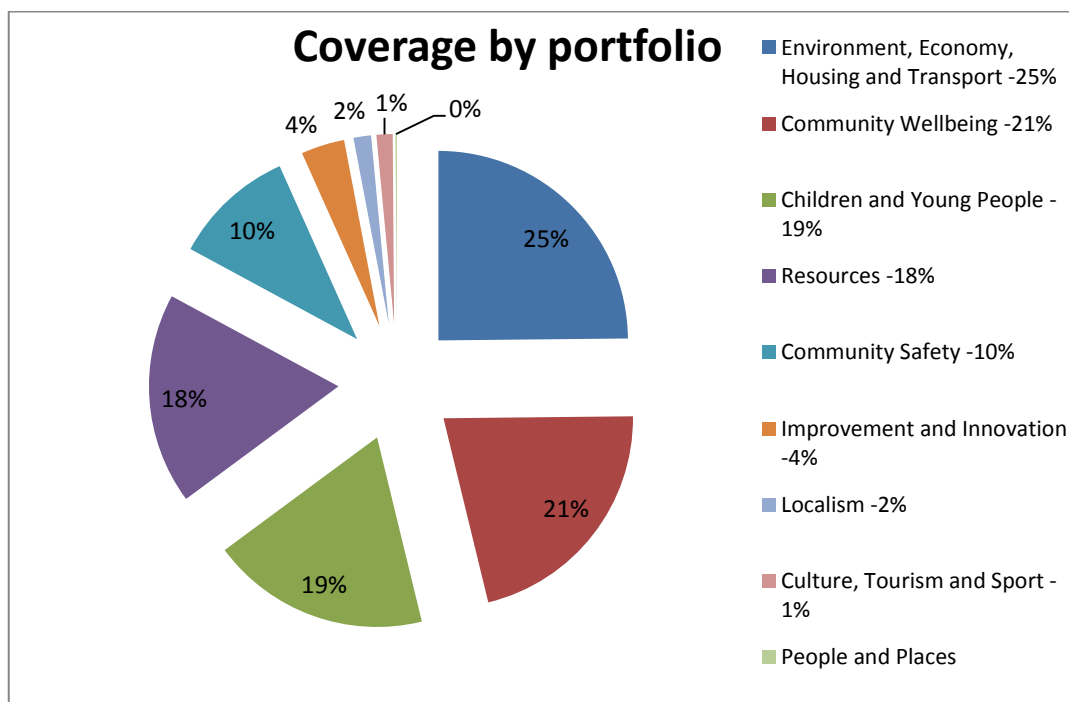
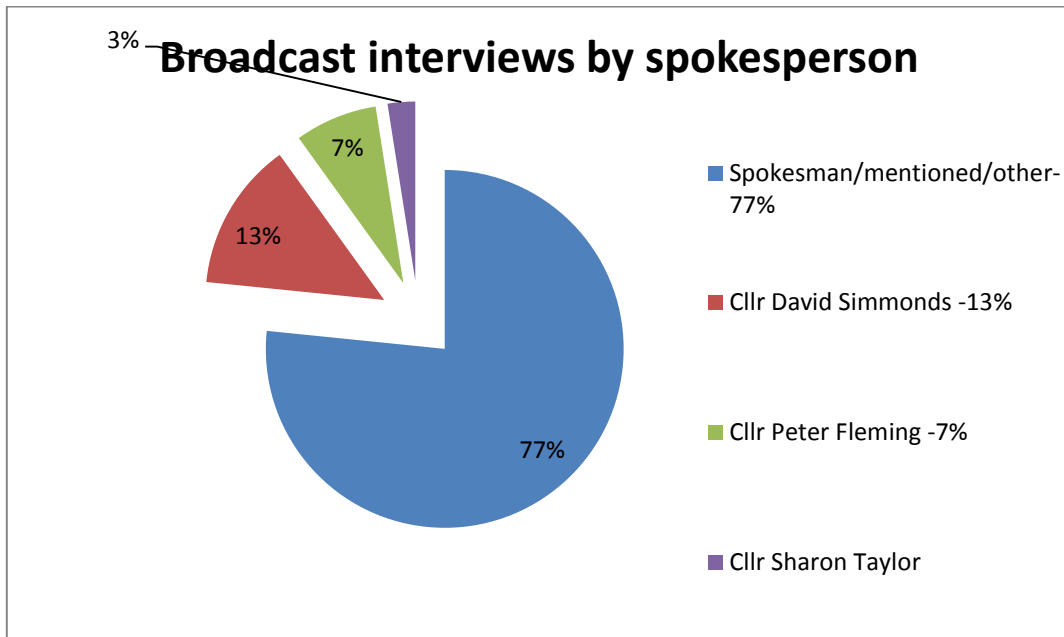
Broadcast coverage



15. The LGA and our spokespeople were mentioned or interviewed **510** times on national TV and radio this year, compared to **434** times for the year to March

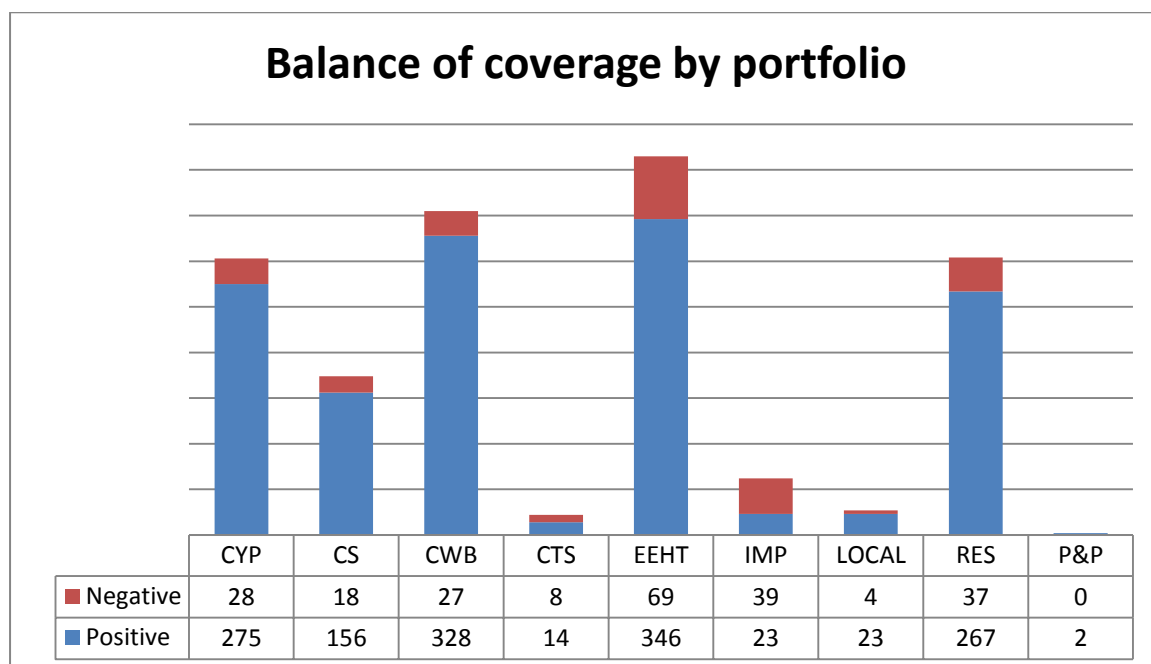
2015. August (62 mentions) and September (85 mentions) were our busiest broadcast months with stories over 12 different channels and programmes. This was dominated by our response to the unfolding refugee crisis and also included our lines on school truancy and our releases on rogue landlords and calls to government ahead of the Spending Review.

16. Asylum, Migration and Refugee Taskforce Chair Cllr David Simmonds was interviewed widely about councils' response to the refugee crisis throughout **September** on **BBC News, Sky News, Good Morning Britain, BBC Breakfast, BBC Radio 4's Today programme, BBC Radio 5 Live** and **LBC**.
17. LGA Vice Chair Cllr Gerald Vernon-Jackson was also interviewed on **BBC Radio 5 Live** on **19 September** about our call for a crackdown on rogue landlords and Vice Chair Cllr Marianne Overton was interviewed on **BBC News** on **26 September** about our SR call for greater bus funding.
18. LGA Chairman Lord Porter was interviewed on **BBC News** and **Channel 5 News** with our reaction to the Chancellor's business rates retention announcement on **5 October**. Our warnings about further reductions in funding were also discussed by Lord Porter on **BBC Radio 4's PM** programme and **BBC Radio 5 Live**.
19. Vice Chair Cllr Sharon Taylor was interviewed by **BBC News, Channel 4 News, ITV News, BBC Radio 5 Live** and **LBC** with our reaction on the day of the Spending Review on **25 November** and also on **BBC Radio 5 Live** and **LBC** on **23 February** about how council tax rises will not be enough to fix the social care funding crisis.
20. Community Wellbeing Portfolio Holder Cllr Izzi Seccombe was interviewed on **BBC Radio 4's Today programme** about the 2 per cent council tax precept to pay for adult social care, the day after it was announced in the SR on **26 November**. LGA Deputy Chair Cllr David Simmonds featured on **BBC Radio 4 Today** and **Sky News** on **21 October** about our calls for greater flexibility on term time holidays and also on **BBC News** on **29 November** on funding pressures following the SR.
21. Lord Porter featured live on the **BBC Daily Politics** with our response to the Local Government Finance Settlement on **17 December**, which was also reported on **BBC Radio 4** and **Radio 5 Live** news bulletins.
22. Children and Young People Board Vice Chair Cllr Richard Watts featured on **Channel 4 News** and **Channel 5 News** on **15 January** and also on **Good Morning Britain, Channel 4 News, Channel 5 News** and **LBC** on **29 February** with our calls for councils to be given back powers to open new maintained schools or compel academies to expand to help meet demand. LGA Deputy Chairman Cllr David Simmonds took part in a live discussion with **BBC Radio 5 Live** and also appeared on the **BBC News channel** and **BBC Radio 4's Today** on **15 January** about the issue.



23. The majority of our coverage this year was positive. The negative stories we have had to respond to and defend local government against included criticism of council help for homeless young people and on the Government's bid to speed up the adoption process in **Children and Young People**. For the **Community Wellbeing** portfolio, this included responding to complaints from the charity Mind on council mental health spending and the increased cost of paupers' funerals.

24. In **Environment, Economy, Housing and Transport**, negative coverage was received in relation to roads and council parking charges.
25. In **Resources**, negative stories included councils' financial reserves and pay guidelines for senior council staff.
26. In **Improvement and Innovation**, negative stories included calls for reform of Freedom of Information laws.



Campaigns and public affairs activity

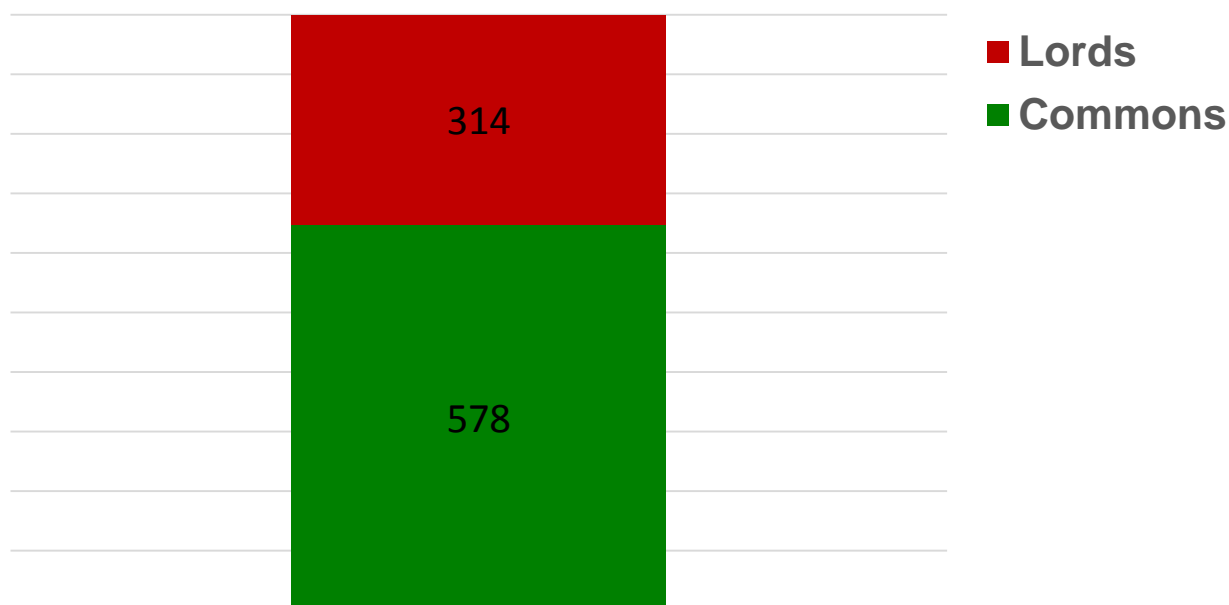
Background

1. Campaigning and public affairs activity on behalf of local government remains a key priority for our member councils (90 per cent rate lobbying on behalf of local government as important). In our perceptions survey, **77 per cent** of member councils believe we effectively represent their views to central government.
2. 2015/16 was the first session of this Parliament with the Government bringing forward legislation across a range of policy areas, including housing, devolution, childcare, education, welfare, immigration and community safety.
3. The LGA was mentioned **578 times** in the House of Commons and **314 times** in the House of Lords in the 2015/16 parliamentary session. This means that on average the LGA was quoted three times a day when Parliament sat to debate policy and legislation.
4. Each week that Parliament sits, we monitor the forthcoming Westminster business, highlighting opportunities to raise our policy recommendations and campaigns to the House of Commons and House of Lords. In the last parliamentary session we issued

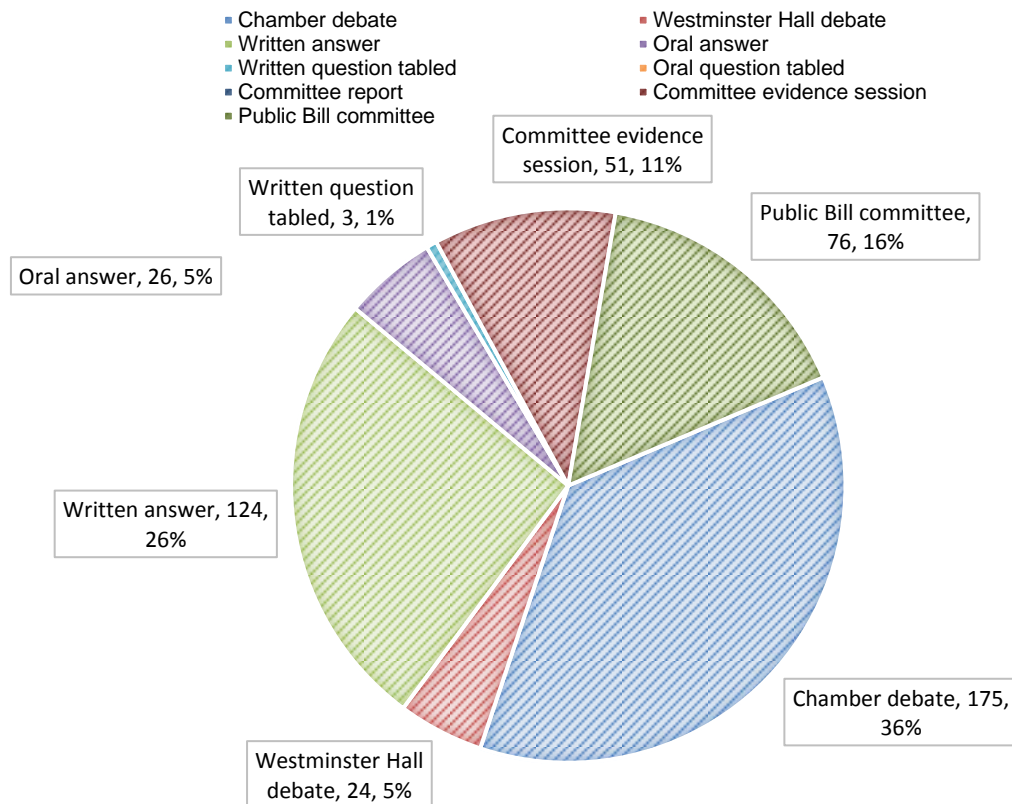
120 formal written briefings to MPs and Peers to complement the briefings provided in meetings. This includes circulating written briefings, and holding briefing roundtables in Parliament, on a range of government legislation including the Housing and Planning Act and the Cities and Local Government Devolution Act. We've also held briefings for parliamentarians on local government finance and the future of devolution.

5. The LGA gave evidence to **70 parliamentary inquiries** in 2015/16, including inquiries into the funding for health and social care, business rates and on the Right to Buy. We also provided secretarial support for the first time for the inquiry into Better Devolution for the UK Commissioned by the All-Party Parliamentary Group (APPG) for Reform, Decentralisation and Devolution.
6. In a ComRes poll of the LGA's reputation in Parliament, half of MPs would advocate for us and see our organisation as effective. **Nearly nine out of 10 MPs support our calls for councils to be given more financial freedoms** and control over local public services.
7. During September and October 2015 the LGA hosted debates and evening receptions at the autumn party conferences. The Chairman, Group Leaders and LGA Councillors also spoke at a range of debates and roundtables organised by more than 40 stakeholders, including the British Property Federation, the Care and Support Alliance, and the Enterprise Forum.

LGA Parliamentary Mentions

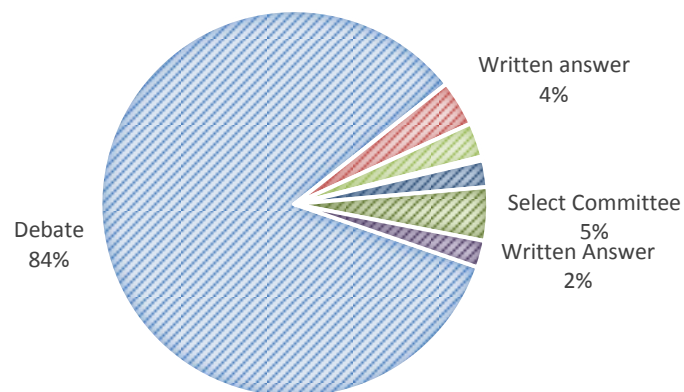


COMMONS MENTIONS, 2015- 2016



LORDS MENTIONS, 2015-2016

- Debate
- Written answer
- Oral answer
- Written question tabled
- Oral question tabled
- Committee report
- Committee evidence session
- Future business
- Select Committee
- Written Answer



Parliamentary reputation

8. To help monitor our reputation, we commissioned ComRes to poll parliamentarians. The results show, **47 per cent of MPs would 'advocate' for the LGA**, compared to only six per cent who would be critical of us. This compared favourably to the Confederation of British Industries (38 per cent), the National Housing Federation (23 per cent), the New Local Government Network (16 per cent) and the Care and Support Alliance (14 per cent).
9. MPs and Peers were also asked whether they viewed the LGA as 'effective'. Of those polled, **46 per cent of MPs believed the LGA is 'effective'**. Whilst our effectiveness rating has decreased, it still compares well to the Confederation of British Industries (48 per cent), the National Housing Federation (36 per cent), the New Local Government Network (19 per cent) and the Care and Support Alliance (11 per cent). To help improve our effectiveness rating the LGA will ensure that we are engaging closely with the new intake of MPs following the 2015 general election.
10. **A majority (58 per cent) of Peers regard the LGA as 'effective,'** therefore our effectiveness rating with Peers has remained consistent since 2012. As a comparison, the Confederation of British Industries scored 65 per cent, the National Housing Federation 44 per cent, the Care and Support Alliance 11 per cent, and the New Local Government Network six per cent.
11. MPs were also asked whether they agreed or disagreed with three key campaign issues the LGA is promoting on behalf of local government. The response to each statement was positive and the key points are:

87 per cent of MPs polled support the call for councils to have more control over local public services in their areas.

86 per cent of MPs polled support the call for councils to have more financial powers and freedoms.

75 per cent of MPs polled support the call additional funding to go to councils social care budgets to tackle the funding challenge

Legislation

The LGA has influenced a wide range of legislation during the 2015/2016 Spending Review period:

The Cities and Local Government Devolution Act 2016

12. The Cities and Local Government Devolution Act provides the legal framework for the Government's devolution deals, including mayoral combined authorities.

13. The LGA worked with a cross-party group of peers to secure an amendment that requires the Secretary of State for Communities and Local Government to report annually on progress of devolution, which will bring greater transparency and accountability. We also tabled proposals that called for greater fiscal devolution to local government ahead of the announcement of full business rates retention and the option for multi-year settlements.

The Housing and Planning Act 2016

14. The Housing and Planning Act contains provisions on new homes, landlords and property agents, abandoned premises, social housing (including extending the Right to Buy to housing association tenants and the sale of local authority assets), planning, compulsory purchase and public land (duty to dispose).
15. The LGA worked closely with MPs and Peers across all political parties during the passage of the Act to provide background information and research on the proposals, support and table amendments to the legislation and influence government policy. Changes secured included giving councils the ability to grant secure tenancies to families with children, restrictions around the resale of starter homes, changes to the taper rate for 'pay to stay', and time-limited pilots on competition in processing planning applications.

The Childcare Act 2016

16. The Childcare Act extends free provision of childcare to thirty hours for working families.
17. The LGA worked with peers to table an amendment that led to the announcement of additional early years funding in the Spending Review 2015. Our engagement with the Department for Education also encouraged the Government to remove the powers for the Secretary of State to prescribe the type and timings of local childcare provision that councils provide.

The Education and Adoption Act 2016

18. The Education and Adoption Act makes it easier to convert schools causing concern to academies and provides a statutory footing for regional collaboration for adoption.
19. Following arguments made by the LGA, the Government amended the legislation to extend the 'coasting' definition to academies as well as council-maintained schools.

The Welfare Reform and Work Act 2016

20. The Welfare Reform and Work Act introduces a duty to report to Parliament on progress made towards achieving full employment and the three million apprenticeships target in England. The Act also introduces reporting obligations on the effect of certain support for troubled families and provision for social mobility, the benefit cap, social security and tax credits, loans for mortgage interest and social housing rents.

21. Chairman of the LGA, Lord Porter provided evidence to the Work and Welfare Reform Bill Committee session in September. He explained the LGA fully supported the Government's aims to drive down the cost of the housing benefit bill, and the only way to do this sustainably would be to build new affordable homes.
22. We successfully campaigned for the Government to conduct a review of supported accommodation and the Government has announced it will publish its findings in the spring 2016. The review is intended to find a workable and sustainable long-term solution for both the supported housing sector and the Government.

The Psychoactive Substances Act 2016

23. On behalf of our member councils, we helped to influence legislation to tackle new psychoactive substances; Local government had called for a complete ban on the sale of all legal highs, and worked closely with the Home Office and parliamentarians to support the Bill through its passage in Parliament.
24. The Act makes it an offence to produce, supply, offer to supply, possess with intent to supply, export or possess in a custodial institution psychoactive substances, which are defined in the legislation. The introduction of the ban should help to protect the public against anti-social behaviour and to also reduce councils' expenditure on drug and alcohol misuse from public health budgets.
25. The previous Office Minister of State, Lord Bates (Conservative), wrote an article for the LGA's 'first' magazine on the Bill in which he thanked councils and the LGA for their work on this area, and also said the Home Office would work with local authorities to ensure the successful implementation of the Act.

The Enterprise Act 2016

26. The Enterprise Act establishes a Small Business Commissioner to enable small businesses to resolve disputes with larger businesses; extends the Primary Authority Scheme to make it easier for more businesses to join; gives central government the power to set targets for apprentice numbers in the public sector; protects the term apprenticeship in law; reforms the business rates appeals system; and enables the Government to cap payments made to staff on leaving employment in the public sector.
27. During the Act's passage through Parliament we welcomed extending the Primary Authority Scheme to smaller businesses; opposed mandatory apprenticeship targets for public bodies and highlighted how councils can instead contribute to creating apprenticeships; supported proposals on non-domestic rates, including measures to allow the future reform of the business rates appeals process; and raised concerns and obtain information about the public sector exit payment cap.
28. Our engagement with the provisions in the Bill on apprenticeships supported a wider discussion with central government on the important role of councils in delivering apprenticeships.
29. On the public sector exit payment cap, we worked with a number of peers and MPs to press Ministers for information and to table amendments to address our concerns.

The Immigration Act 2016

30. The Immigration Act updates the legal framework on immigration and asylum, changing the law in relation to access to public services, facilities and licences to work in the UK. It also provides the Secretary of State with the powers to compel local authorities to take responsibility for unaccompanied minors who arrive elsewhere in the UK.
31. As the Act passed through Parliament, the LGA highlighted the important role councils have in protecting families, children and vulnerable adults who are seeking asylum. We sought to ensure local authorities are able to deliver their duties, keep children safe and prevent families from becoming homeless.
32. We also raised our concerns with the proposal to compel local authorities to take responsibility for unaccompanied minors who arrive elsewhere in the UK as there was no clarity on how their support needs will be funded. We argued in Parliament that no council should be made to choose between supporting unaccompanied asylum seeking or refugee children and providing vital services for their local community.

Parliamentary committees

33. In the last year, the LGA has submitted over **70 parliamentary inquiries** on a range of subjects including devolution, business rates, housing, health and social care funding, childcare, the Regional Schools Commissioners and air quality.
34. As well as responding to calls for evidence from select committees and All-Party Parliamentary Groups (APPGs), the LGA for the first time provided secretarial support to the APPG on Reform, Decentralisation and Devolution. The APPG commissioned an inquiry into Better Devolution for the Whole UK which was chaired by our President Lord Kerslake. The inquiry investigated how we can better achieve devolution across the whole UK, carefully considering how to bring long-lasting and coherent constitutional renewal.
35. LGA Chairman Lord Porter gave evidence to the inquiry, alongside Councillor Anne Western, Councillor John Pollard and Councillor Nick Forbes. The inquiry also heard from Rt Hon Gordon Brown, former Prime Minister of the UK, Rt Hon Greg Clark, Secretary of State for Communities and Local Government and Jon Trickett, Shadow Secretary of State for Communities and Local Government and Minister for the Constitutional Convention. The report launched its recommendations in Parliament, securing national media coverage and support from across the political divide.
36. The below table sets out the parliamentary inquiries to which the LGA has submitted evidence.

Committee	Inquiry
Communities and Local Government	Inquiry on planning and productivity
Work and Pensions	Inquiry on welfare to work

Communities and Local Government	Inquiry on the Housing Association sector and the Right to Buy
Work and Pensions	Inquiry on pension freedom guidance and advice
Education	Inquiry on the work of Ofsted
Communities and Local Government	Inquiry on the Cities and Local Government Devolution Bill
Energy and Climate Change	Inquiry on DECC priorities 2015
Environment, Food and Rural Affairs	EFRA topics
Home Affairs	Inquiry on psychoactive substances
Health	Inquiry on primary care
Work and Pensions	Inquiry on benefit delivery
Education	Inquiry on the work of Regional Schools Commissioners
Business, Innovation and Skills	Inquiry on the Government's Productivity Plan
Social Mobility (Lords)	Inquiry on how to prepare young people for the world of work
Public Accounts Committee	Care Act first-phase reforms inquiry
Culture, Media and Sport	Establishing world-class connectivity throughout the UK
Public Accounts Committee	Local Government new burdens
National Policy for the Built Environment (Lords)	Inquiry on how to create a better built environment
Transport	Road traffic law enforcement
Immigration Bill	Public Bill Committee evidence
Welfare Reform and Work Bill	Public Bill Committee evidence
Communities and Local Government	Cities Bill - Health Devolution
Communities and Local Government	Housing Associations and Right to Buy
Energy and Climate Change Committee	Energy Efficiency and Demand reduction
Bill Committee	Housing and Planning Bill
Environment, Food and Rural Affairs	The Department for Environment, Food and Rural Affairs Committee's role in tackling air quality
APPG on Housing and Care	Impact of the Spending Review and Care and Housing
APPG on Devolution	Inquiry into Better Devolution
Public Accounts	Fire and Rescue Services
Work and Pensions	Local welfare safety nets

Health Committee	Public Health Post-2013
APPG on Primary Care and Public Health	Primary Care
APPG on Ageing	Ageing Agenda
ILC and Age UK SR event	Impact of the Spending Review on care
APPG on Primary Care and Public Health	Delivering the five year forward view
Childcare Bill Committee	Public Bill Committee evidence
Environment, Food and Rural Affairs	Air quality
Joint Committee Investigatory Powers	Investigatory Powers Bill
Kerslake Review	Function and Role of the Treasury
APPG on Students	Integrating students in communities
Work and Pensions	Bereavement Inquiry
Health	Comprehensive Spending Review inquiry
Education Committee	Purpose and Quality of Education
Independent Commission	Freedom of Information
Communities and Local Government	Business rates
Communities and Local Government	Homelessness
Health	Public Health Post 2013
Work and Pensions	Intergenerational Equality
APPG on Social Work	Mental Health Provision
Education Committee and Work and Pensions Committee	Life Chances strategy
Education	Children's social work reform
APPG on Runaway and Missing Children/Adults	Safeguarding missing/absent children
APPG for Children	Children social care
Communities and Local Government	Business rates
Environment, Food and Rural Affairs	Flooding
Sub-Committee on Education, Skills and the Economy	Apprenticeships
Health	Spending Review Inquiry
Education	Children's social work reform
APPG on Runaway and missing children/adults	Safeguarding missing/absent children
Scrutiny Unit	Policing and Crime Bill

Children APPG	Children's social care
Environmental Audit	Flooding Prevention
Work and Pensions	Future of Jobcentre Plus
Culture, Media and Sport	Countries of Culture
Environment, Food and Rural Affairs	Flooding Prevention
Business, Innovation and Skills	Powerhouses and engines
Work and Pensions	Disability Employment
APPG on Mental Health	The Mental Health Taskforce
Public Accounts	Lifetime ISAs
APPG on Ageing and Older People	Devolution and Integration
Environmental Audit	Sustainability and HM Treasury inquiry

Party conferences

37. As with previous years, we hosted a number of debates at the autumn party political conferences on our calls for further devolution and ensure fair funding. Our Spending Review submission, 'Spending Smarter: A shared commitment' and our 'English devolution: local solutions for a successful nation' report were shared at each conference in order to highlight local government's priorities for the forthcoming Parliament.
38. In addition to the events supported by the LGA corporately, the Political Group Offices organised a series of debates, training sessions for councillors and meetings across each of the conferences including those held by UKIP and the Green Party. These included debates, roundtables and Be a Councillor workshops. At the Liberal Democrat conference the Group office also worked with politicians to influence a key conference motion on social care.
39. We also worked closely with a range of stakeholders from across the private, public and voluntary sectors to secure speaking opportunities for our councillors at debates, policy seminars and private meetings such as evening dinners. As a result of this the Chairman, group leaders and LGA councillors spoke at events on devolution, housing, enterprise and growth, skills, social investment, health and social care, transport, licensing, public health, and young people and children services. These events were held with high profile stakeholders such as the Care and Support Alliance, the British Property Federation, Barnardo's, Ambition, the MS Society, the Charities Aid Foundation and the Enterprise Forum. Briefings were provided for each event and were a platform for members to highlight their messages on the Spending Review, devolution, housing, health and care, and many other policy areas. In total we secured **75 speaking opportunities at debates and roundtables with more than 40 stakeholders.**
40. For the conferences we produced guides that were emailed out from group leaders to all councillors and made available online showcasing our significant number of speakers and events over the season. These guides were **downloaded 971 times for Conservatives, 1,031 times for Labour and 255 times for Liberal Democrats.**

Support to our membership

41. In 2015/16 we continued to expand our support offer to those officers in local government working on public affairs and parliamentary engagement. Membership of our **Parliamentary Network has doubled to 200 officials**, including senior officers covering communications, policy and strategy, joining it. The LGA Parliamentary Network has supported councils in their parliamentary engagement by producing weekly summaries of parliamentary debates, a forward planning weekly email with key opportunities in Parliament, the sharing of LGA briefings and the hosting of a briefing event on the General Election in Local Government House. Ahead of the General Election we also produced briefing notes on key manifesto commitments which were shared widely across local government

Campaigns

DevoNext

1. Our DevoNext campaign was launched in March 2015 with the publication 'English Devolution: Local solutions for a successful nation', which demonstrated what devolution could look like on a local level.

We have made good progress in moving the Government to a position where devolution is now well underway and discussions on issues such as retention of business rates are well advanced.

2. As part of the campaign, a web hub was developed to support councils to scope their options and address some of the key considerations for successful devolution arrangements. Materials were developed to help councils communicate devolution messages to a range of audiences included publications and films as well as interactive information.
3. The DevoNext resource hub received **63,976 page views**, one of the most viewed parts of the website. The homepage received 15,521 page views from 11,056 users over the course of the year. The majority of these users were new visitors (74 per cent compared to 26 per cent returning visitors).
4. In addition, three publications focussing on different aspects of devolution and two 60 second films were published as part of the campaign. The two films, designed as 60 second 'explainer' style films are two of the best watched films on the website.
 - 4.1 English devolution – Local solutions for a successful nation (29,670 downloads)
 - 4.2 Charting progress on the health devolution journey – early lessons from Greater Manchester (1,969 downloads)
 - 4.3 English devolution – local solutions for a healthy nation (15,311 downloads)
 - 4.4 What are Combined authorities? (published six months ago – 2200 views)
 - 4.5 What is devolution? (published two months ago – 1060 views)

Future Funding

5. The latest phase of Future Funding campaign was launched in March 2015, focusing on the frontline impact of spending cuts for local communities following the Spending Review.
6. The campaign continued our calls for fairer funding for local government following a fall in core central government funding of 40 per cent over the past five years. Over the last year, as part of the campaign, we produced a number of resources to support councils, including:
 - 6.1 Case studies (520 page views)
 - 6.2 Online Interactive tool (2,097 page views with an average time on the page of just under 3 minutes)
 - 6.3 Council tax infographic (1,680 downloads)
 - 6.4 Spending review resource (5,609 page views and 4,430 unique views)
 - 6.5 Future funding film (1,604 views)
7. The 'Future Funding' campaign site received **9,018 page views and 7,005 unique page views**.
8. There were three related campaign publications created to reinforce the LGA's main funding calls to Government and which influenced a wide range of legislation during the 2015/2016 Spending Review period. These included 'A Shared Commitment: Local Government and the Spending review' (7,063 downloads) which was launched at the LGA annual conference outlining how local government could support the Government in tackling the national deficit over the period of the next parliament. Spending smarter: A shared commitment (14,844 downloads) was the LGA's official Spending Review submission to government.

#OurDay

9. For the fourth year running, we held #OurDay on 18 November 2015. The day is the opportunity to showcase the breadth of work that councils do throughout a typical day on Twitter and other social media platforms. To promote this year's #OurDay the marketing and campaigns team produced an online resources area to support councils to promote the day to their staff and residents, including posters and branding for use on websites.
10. The #OurDay branding featured on a number of council homepages in the lead up to the day. The resources area received **7,583 page views** with the #OurDay web stamp for councils to use on websites and in promotional materials was downloaded **11,516 times**.
11. A total of **18,754 tweets** were sent during the day (up from 16,564 last year) from council staff, members and chief executives. Over 8,541 twitter handles took part in the day and the tweets had a potential reach of **20 million users**. The hashtag #OurDay was the most popular topic in the UK for most of the 24 hours.

Show us you care

12. Our Show Us You Care campaign was re-launched in March 2015 and visitors to our website are still actively engaged in downloading our campaign publications:

- 12.1 Creating a better care system (5,014 downloads)
- 12.2 Ageing, the silver lining (8,144 downloads)
- 12.3 LGA and EY report – social care and health film (150 views)

Be a Councillor

13. Our refreshed Be a Councillor campaign was launched as a pilot campaign in Rotherham. The 'Be a Councillor' website promoting the campaign received **27,527 visits** and **69,381 page views** since the launch of the campaign. Most of the visitors to the site were new (88.4 per cent) in comparison to the returning visitors (11.6 per cent).

14. We also produced two publications to support the campaign:

- 14.1 Be a Councillor brochure: (79,082 downloads)
- 14.2 Be a Councillor: a guide for disabled people: (6,245 downloads)

15. Following its success, other councils have approached us to support them with similar, local bespoke campaigns, with one project just completing in Lancashire.

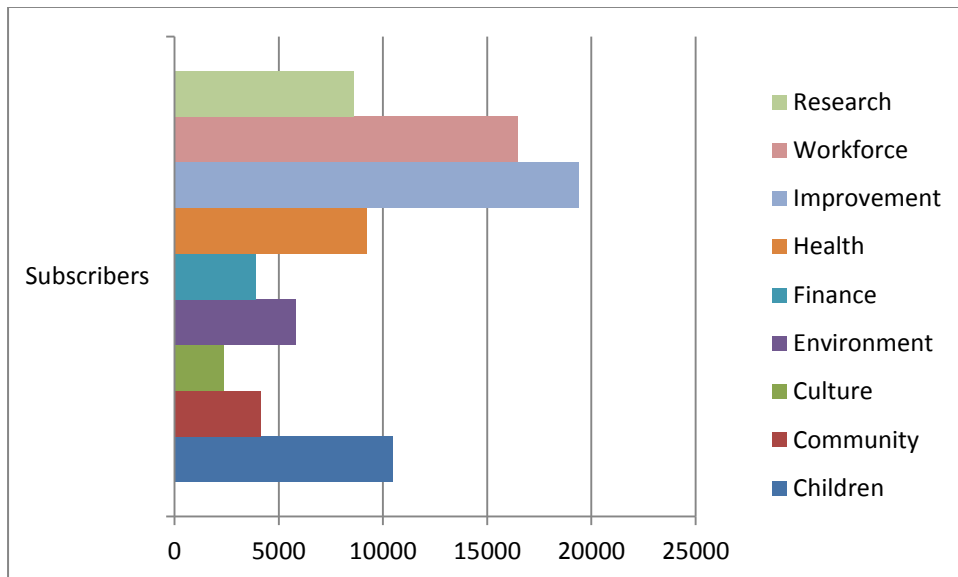
Digital

1. As our members are increasingly embracing digital communications, we have adapted to meet those requirements. We have also developed sophisticated measurement and evaluation techniques to ensure we maximise the benefits of digital technology.

E-bulletins

2. Our E-bulletins remain an important way for us to share the work of our boards. Programme bulletins now reach a **total audience of 80,462** a slight increase from last year's figure of 80,020. Improvement, Workforce and Children and Young People continue to retain the highest number of subscribers.
3. In addition to the programme bulletins, the Chief Executive's and the Chairman's weekly bulletins have continued to be a successful route to communicate information to targeted audiences. The Chief Executive's email goes to 395 addresses, an increase in membership from last year's figure of 362. The Chairman's bulletin is sent to **954 council leaders and group leaders across the country**.

Subscriber numbers by programme bulletin:

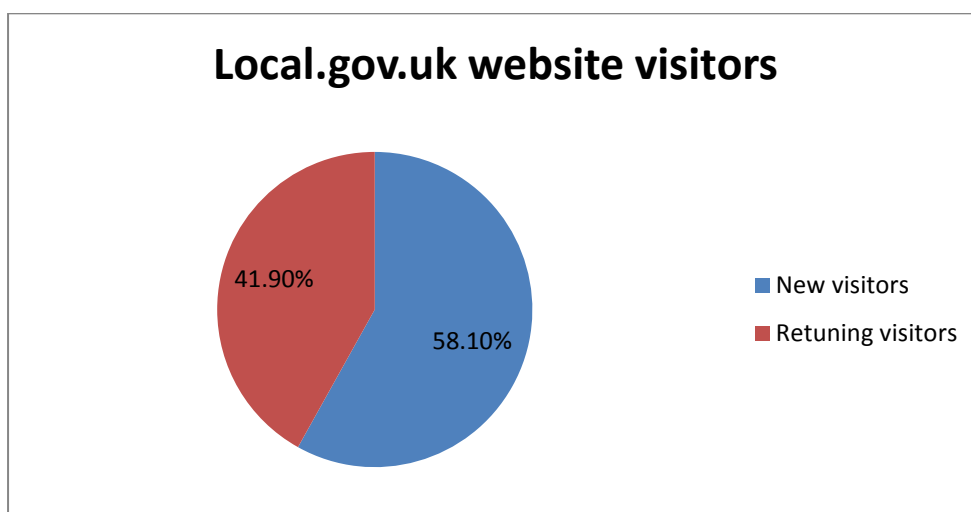


Website

- Our website saw a slight decrease in total page views **4.1 million** in 2015/16 compared to 4.5 million in 2014/15 (but an increase from the 3.7 million in 2013/14 – and a slight decrease in unique users with 770,626 this year compared to 790,779 the previous year.

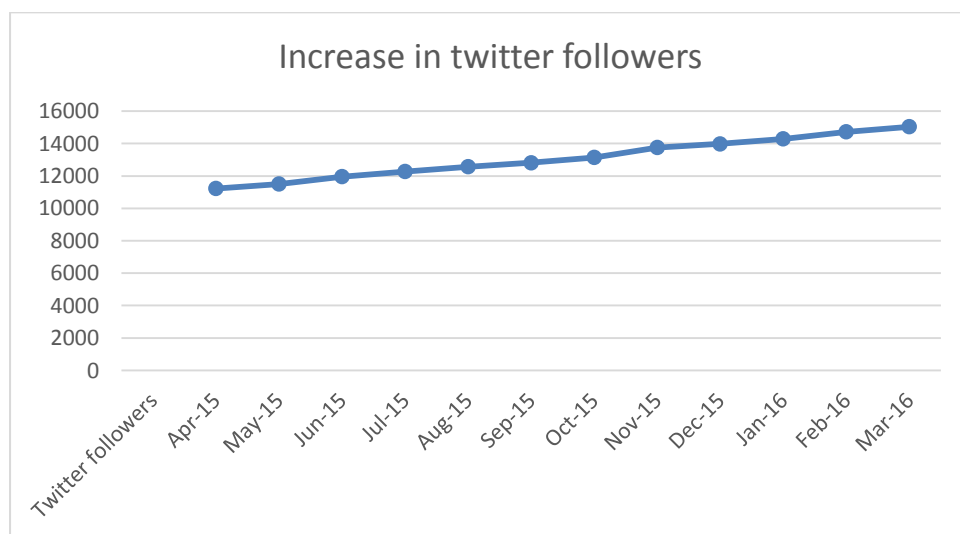
More new visitors used the website than returning visitors, meaning we were attracting new audiences. The proportion of new visitors using the website increased slightly (by 2.3%) in 2015/15 compared to 2014/15.

The average time spent on the website is two minutes 24 seconds and visitors look at an average of 3.3 pages per visit. This remains in line with site usage in the previous year.



Social media

5. The audience for the corporate twitter feed - @LGAComms - has increased significantly over 2015/16, followers **increased by 27 per cent to 15,038** on the 31 March 2016 compared to 10,922 followers on 31 March 2015. This number has now increased to 15,400. Followers of the account include members, council officers and stakeholders from across the sector as well as media and national politicians.
6. The @LGAComms twitter account had a potential reach of **53 million people** over the last year and 10,077 mentions.
7. The significant increase in Twitter followers has come through proactive development of the feed, planning and scheduling tweets in advance, actively promoting relevant content in a timely manner, effective use of hashtags and using and learning from analytics from past tweets.
8. Through Twitter, the digital team have promoted the LGA's parliamentary briefings, campaign launches and media releases, ensuring the LGA's policy lines reach a wide audience. LGA events are promoted through Twitter to increase bookings, attendance and awareness of these events (especially Annual Conference) and the digital team also promote new or updated sections on the website, alerting members of content that supports them in their work.



Conference and Events

1. We delivered **60 events this financial year**. Sixty-one per cent were free to attend for delegates attending from our member authorities.
2. A further **13 per cent were free to attend** but organised by the team on behalf of Public Health England, the Early Intervention Foundation and Locality in partnership with the LGA. We received event management fees to cover the organisation and costs associated with this jointly badged events activity.

3. **Twenty- six per cent of events were fully commercial basis** including the Annual Conference and Exhibition, the National Children and Adults Services Conference, the Annual Culture, Tourism and Sport and Annual Fire residential conferences. Thirty-one per cent of events were held in the regions.
4. Our commercial events made in excess of **£2 million gross income** and our new Eventsforce online delegate booking system has enabled us to recover 32 per cent of our delegate booking income via payment card at the time of booking, greatly assisting with the organisations credit control and again providing an added benefit to our member organisations who are able to select invoicing at the time of booking or the payment by card option, all non-member organisations now have to make all payments via payment card.

Communications improvement

1. Over the last year, our communications improvement offer (part of our wider sector-led improvement programme) has further developed. We undertook a range of activity including a number of full communications peer reviews, one-day communications 'health checks', support to three councils to recruit new heads of communication and we supported a number of councils on a range of reputation and other issues. In total, we supported **52 councils** to varying degrees with expert communications support.
2. We also held a number of best practice event on subject areas such as devolution and produced best practice guidance on issue such as communicating during purdah, which was downloaded more than **18,000 times**.

LGA Perceptions Survey 2015-16: Action Plan

Purpose

Direction and endorsement.

Summary

Following publication of the 2015-16 perceptions survey, the Leadership Board asked for an action plan to be developed to address those issues where we can further improve. This report sets out this action plan.

Recommendation

That the LGA Leadership Board endorse the LGA Perceptions Survey 2015-16 Action Plan.

Action

None.

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LGA Perceptions Survey 2015-16: Action Plan

Introduction

1. Following publication of the 2015-16 perceptions survey, Leadership Board asked for an action plan to be developed to address those issues where we can further improve – in particular engaging front-line councillors and value for money.
2. The results of the 2015-16 survey show that we have maintained the significant improvements in satisfaction ratings achieved since 2013.
3. Satisfaction remains high in most key areas with people more likely to speak positively about the LGA and our work than not. In addition, awareness of and satisfaction with the work we undertake on behalf of councils remains strong.
4. Members continue to feel well informed and this has an impact on overall results.
5. Engagement with leaders and cabinet members, chief executives and senior officers is strong and over the last three years we have improved levels of engagement with front-line councillors. 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.
6. However, there is still some more work to do in this area to better engage those many councillors who engage directly with residents but who do not hold executive positions.
7. There have been improvements in the way we demonstrate value for money to our members but this is another area where further work is required.
8. As set out in the previous Leadership Board report, the services and roles delivered by the LGA that are perceived to be of the most importance to respondents are related to our national role in lobbying on behalf of local government and in providing a 'national voice'.
9. There remains strong support for sector-led improvement as the main way for local government to drive improvement. Our campaign work in this area over the last year has seen increases in awareness of our sector-led improvement offer. However, this is also dependent on role and is consistent with the overall findings that front-line councillors tend to have lower levels of awareness). There is very strong support for the LGA to play an enhanced role in supporting and fostering innovation across local government.

Front-line councillors

10. Leadership Board asked us to do some further analysis of levels of satisfaction and engagement with front-line councillors.
11. Having analysed all the free text comments for all front-line councillors there is no single issue which stands out other than more engagement with our work, our leading councillors and officers.

12. Twelve per cent of front-line councillors say they have 'no or little understanding of the LGA's purpose and how it works for local government, which is a relatively small proportion overall. However, 23 per cent are 'neither satisfied nor dissatisfied' with our work on behalf of local government, which shows that there is some room for us to 'convert' these members to a more positive view of the LGA. In other areas such as the effectiveness of the LGA as an advocate for local government, negative responses are no worse than for portfolio holders and chairs of scrutiny.

13. In terms of how well informed front-line councillors feel, the table below sets out progress over the last four years and compares the informed rating to all other roles (total). In the 2015/16 survey, 80 per cent indicate they feel well or fairly well informed, compared to 83 per cent of all other respondents. This is a relatively small differential and shows the progress we have made through previous action plans.

	2012		2013		2014		2015	
	Total	Frontline Cllrs	Total	Frontline Cllrs	Total	Frontline Cllrs	Total	Frontline Cllrs
Well informed	21%	20%	25%	23%	31%	27%	29%	29%
Fairly well informed	48%	46%	52%	50%	48%	49%	54%	51%
Gives me only a limited amount of information	24%	27%	17%	21%	16%	18%	13%	15%
Doesn't tell me much about what it does	6%	7%	5%	5%	4%	4%	3%	4%
Don't know/no opinion	1%		1%	1%	1%	2%	*%	1%
Summary informed	69%	65%	78%	73%	79%	76%	84%	80%

14. This shows that there is some scope for us to better engage with front-line councillors through all of our mechanisms – political, corporately through formal communication channels such as First and bulletins, at events and through personal contact as part of our council visits programme and council peer reviews.

Value for money

15. Having undertaken further analysis, there are no significant issues in relation to value for money which point towards a single solution. When compared to the total, 50 per cent of front-line councillors say that we offer value for money compared to 56 per cent and there is a slightly higher proportion of 'don't knows'.

	2012		2013		2014		2015	
	Total	Frontline	Total	Frontline	Total	Frontline	Total	Frontline
Strongly agree	11%	11%	16%	16%	15%	13%	18%	19%

Tend to agree	32%	33%	37%	34%	38%	37%	38%	31%
Neither agree nor disagree	30%	28%	28%	28%	22%	18%	28%	31%
Tend to disagree	10%	8%	7%	5%	8%	8%	6%	5%
Strongly disagree	2%	3%	3%	3%	3%	4%	2%	2%
Don't know	14%	17%	10%	14%	14%	19%	7%	11%

16. The tailored membership packs have contributed to better promoting our offer to individual councils. However, it is important that we don't rely on these as the sole way in which, once a year, we engage with councils and in particular, front-line councillors.

17. The issue of value for money is strongly linked to the issue of engaging all councillors and officers throughout the year and demonstrating the positive impact on their council. The more engaged they feel, the more likely they are to value our offer.

Work already undertaken

18. Following approval by Leadership Board, action plans were developed and delivered in each of the last two years, contributing to the improvements and maintaining levels of satisfaction.

19. In addition, a councillors' working party was set up and a number of small focus groups were held to further understand how we can improve engagement with all councillors.

20. First magazine is consistently rated as the most effective way to engage with all councillors (89 per cent of front-line councillors cite it as the main way they find out about the work of the LGA) and was re-launched at annual conference last year alongside an improved on-line version. E-bulletins are also an effective engagement tool with high subscription levels. The political group bulletins are cited as one of the main ways front-line councillors get information from us. All of our bulletins were reviewed last year and improved and streamlined to ensure we maximise all communication with our members, in ways which they will find useful.

21. Conferences and events, face-to-face meetings and visits also impact on views of our work.

Next steps

22. A draft action plan is attached for approval by Leadership Board. This will form the basis of our work over the next 12 months to help further engage all 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. 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 and we will ensure our narrative is clear about the differences between our DCLG-funded improvement work and our member offer to councils.

Perceptions survey 2015/16 - Action plan

Recommendation	Actions	Timescale	Owner
A. Improve access to information for all councillors			
1. First magazine – Maximise First as this is the main channel front-line councillors prefer for receiving information from the LGA	Personal letter to go out to all councillors with July edition of First from the LGA Chairman. This will encourage front-line councillors to contribute and will promote letters page.	July 2016	David Holdstock/Karen Thornton
	New 'from the front-line' column to be introduced for front-line councillors.	September 2016	David Holdstock/Karen Thornton
	Further develop First on-line as an alternative/addition to the printed copy	Ongoing	David Holdstock/Karen Thornton/Hannah Berry
2. Membership packs	Continue to improve bespoke membership packs for all councillors	Ongoing	Claire Holloway/ Andrea Gillian/Hannah Berry/heads of group offices
	Include all visits undertaken by senior members and officers	Ongoing	Claire Holloway/ Andrea Gillian
3. Member bulletins	Undertake further work to promote and increase uptake of e-bulletins to front-line councillors and review take-up.	Ongoing	Hannah Berry
	Maximise use of digital monitoring to better target content and bulletins	Ongoing	Hannah Berry
4. Targeted emails	Develop targeted emails which involve all councillors (polls, petitions and so on).	Ongoing	Hannah Berry/Lynne Morris/Heads of group offices
5. LGA website	Improve general information about LGA, with benefits of membership clearly and compellingly explained.		Hannah Berry

	More calls to action.			
B. Develop an events' programme that is relevant for all councillors				
6. Ensure events programme continues to reflect members' interests	Maintain the target of 60% free events.		Ongoing	Amanda Cowen
	Further develop our annual conference offer to front-line councillors and consider options such as offering one free place per council for a non-executive councillor who has never attended annual conference		Ongoing	Amanda Cowen
	Continue to develop our regional events programme and highlight to members.		Ongoing	PAs/Amanda Cowen
	Ensure LGA attendance at external events such as party conferences and the London Councils annual conference, aimed at front-line councillors and includes a stand promoting the LGA's offer, including our member development opportunities.		Ongoing	Heads of group offices/PAs/Lee Bruce/Amanda Cowen
C. Demonstrate the value of the LGA's Parliamentary work				
7. Highlight the LGA's influence, including 'wins' for local government through our Parliamentary work	Ensure all councillors have access to our annual 'LGA in Parliament' report.		May/June 2016	Lee Bruce
	Further promote our parliamentary bulletin to a wider range of councillors and officers.		Ongoing	Lee Bruce
	Further promote and expand the LGA's local public			

	services public affairs network		Ongoing	Lee Bruce
D. Demonstrate the value of the LGA's media work				
8. Highlight the LGA's media activity to demonstrate our role as the 'national voice of local government'	Extend the daily mail out of news headlines to include weekends instead of including weekend stories in Monday's round up		June 2016	Lynne Morris/Greg Burns
	Involve front-line councillors in our campaigning/media work. For example, involve them in petitions.		Ongoing	Heads of group office/Lynne Morris
	Provide front-bench councillors with access to data and campaign materials such as draft press releases		Ongoing	Heads of group office/Lynne Morris
E. Clearly communicate the LGA's improvement offer to councils				
9. Communicate a clear menu of improvement support available	Continue to progress sector-led improvement campaign and demonstrate value of the programme to councils		Ongoing	Dennis Skinner/Nick Easton/Campaigns Team

F. Supporting and equipping newly elected councillors

9. Ensure front-line councillors are aware and have access to the LGA's leadership programmes and support offers. This starts with newly-elected councillors.

A letter of welcome from the chairman is sent to all newly elected members (with a link to the Councillors' Guide and relevant membership pack).

Produce an annual guide for all councillors. We have now launched our [new Councillors' Guide for 2016/17](#). This online resource is designed as a quick reference guide to provide new councillors with the essential information they need to know as they begin their roles.

Induction: Support regional improvement bodies and individual councils to induct new members through a range of local programmes. This provides an opportunity to promote the LGA to newly elected members.

Equipping new councillors: Deliver programmes to equip new councillors:

- Our Community Leadership programme is specifically designed for newly elected councillors and aims to help them develop a portfolio of skills to equip them for their role as community leaders and

May/June 2017

Frances Marshall

Annual

Will Brooks

Ongoing

Principal advisors

Ongoing

Will Brooks

	<p>effective politicians.</p> <ul style="list-style-type: none"> Our Leadership Essentials series includes for front-line councillors. These include a two-day course on effective scrutiny, focus on leadership which provides seminars and workshops to act as a bridge to more senior leadership position, Young Councillors Weekender Event and BAME Councillors event. <p>Explore an offer to visit each (say once every three years) to highlight the work of the LGA, benefits of membership and to answer questions from front-line councillors.</p>		Ongoing	Dennis skinner/David Holdstock
G. Encourage people to become councillors				
10. Promote the benefits of being a councillor	<p>Further roll out our successful “Be a Councillor” Campaign to promote the role of the local councillor and encourage people to stand for election.</p> <p>Involve front-line councillors in further developing our “Be a Councillor” resources: Dedicated website, which includes resources such as guidebooks, support for disabled candidates and other useful information.</p> <p>Run further bespoke local campaigns with councils, regional organisations and local parties. We have run a campaign for Rotherham and are currently working with Birmingham, Lancashire, East Midlands and Isle of Wight to design local campaigns</p>		<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Will Brooks</p> <p>Hannah Berry</p> <p>Hannah Berry/Dennis Skinner</p>

Performance Reporting: 6 Month Monitoring Report

October 2015 – March 2016

Purpose

For decision.

Summary

This 6 month monitoring report presents a summary of the LGA's performance against its Business Plan and internal priorities over the period from 1 October 2015 to 31 March 2016.

Recommendation

That the LGA Leadership Board approves the 6 month monitoring report and highlights any areas for further action or report back.

Action

Officers to initiate any required action.

Contact officer: Donna Gallagher
Position: Performance Officer
Phone no: 020 7664 3111
Email: Donna.Gallagher@local.gov.uk

Performance Reporting: 6 Month Monitoring Report

October 2015 – March 2016

Background

1. The LGA Business Plan was updated in December 2015 and will next be reviewed and updated in September 2016. This monitoring report covers the six months from October 2015 to March 2016.
2. The Strategic Risk Register was reviewed and updated by the Strategic Management Team (SMT) in January 2016 and is reviewed quarterly by the Corporate Leadership Team (CLT) to ensure that all strategic and operational risks are identified and appropriate mitigating actions are set in place.
3. Budget information will be presented to the Board via approved annual accounts.

Performance monitoring

4. This report falls into five sections:
 - 5.1 The five policy priorities of the streamlined Business Plan - *Funding for Local Government; Devolution; Economic Growth, Jobs and Housing; and Promoting Health and Wellbeing.*
 - 5.2 Sector Led Improvement via the KPIs developed for reporting to DCLG.
 - 5.3 Our own efficiency and effectiveness – via our corporate health indicators.
 - 5.4 Major projects dashboard.
 - 5.5 Strategic Risk Register.

Commentary

5. Overall performance across all areas is on track. Full details are attached at **Appendix A.** Key highlights include:
 - 5.1. The Finance and Policy directorate performance indicators, including those relating to lobbying for funding, are predominantly green. This is because the LGA has delivered its agreed actions, even though it may not have been successful in securing positive change for councils. The LGA will shortly trial a dual traffic light system which shows both progress against the LGA's deliverables and the impact of those actions on the sector.
 - 5.2. Two of the biggest projects for 2015/16 - the transition of support services from Liberata to in-house and the new ICT contract - are now complete and have been moved to business as usual. The two remaining major projects are the refurbishments of Local Government House and Layden House. Further detail on the major risks register is available on request.

- 5.3. Since January 2016 the following changes have been made to the strategic risk register:
 - 5.3.1. The likelihood of SR1 has been reduced to 3 and the overall risk downgraded to amber with an additional mitigating action introduced.
 - 5.3.2. The likelihood of SR6 has been increased to 3 and the overall risk increased from yellow to amber.
 - 5.3.3. With confirmation of RSG funding for 2016/17, the likelihood of SR9 has been reduced to 3, downgrading this risk from red to amber.
 - 5.3.4. The likelihood of SR10 has been increased to 3, increasing this risk from yellow to amber.
- 5.4. There has been a decrease in the number of debtors between 3-12 months over the last 12 months.
- 5.5. 2015/16 saw a 20% increase in the number of times the LGA is mentioned in the national media mentions compared with the previous year.
- 5.6. The Customer Perceptions Survey showed an increase in all 4 areas relating to the LGA's reputation compared with 2014/15, demonstrating an overall improvement.
- 5.7. All KPI's agreed by DCLG in relation to RSG funding have been met, with the majority exceeding target.

Business Plan outcome	Board/lead	What have we delivered and has it helped achieve the business plan outcome? Progress	
Funding for local government - reform of the finance system			
Lobby for fair funding for local government, including multi-year funding settlements	Nicola Morton Resources	£516m of additional funding in the 2016/17 final settlement	Green
Ensure that the consequences for local government of central government reforms are understood and adequately funded	Nicola Morton Resources	We produced the LGA's Budget submission and co-ordinated the on-the-day briefing process as well. Policy developments on finance that we secured are summarised in the business rates system section below.	Green
Actively engage in the detailed arrangements for 100 per cent business rates retention	Nicola Morton Resources	Joint work has started with the Department for Communities and Local Government. This has included drafting and clearance of three open discussions papers about various aspects and reforms and setting up a Steering Group of officers from across the sector to oversee the joint work. Overall, the process continues apace. We have submitted evidence to the Communities and Local Government Select Committee inquiry on <u>business rates reform, including oral evidence provided by Cllr Kober</u>	Green
Develop proposals to improve the business rates appeals system and modernise valuation and collection	Nicola Morton Resources	We have succeeded in getting the Government to accept that the move towards self-assessment of business rates bills should be explored further as an alternative which could introduce greater predictability into the business rates system.	Green
Lobby for local control over council tax and business rates and the right to determine new local taxes, and fees and charges which fully recover costs	Nicola Morton Resources	We submitted evidence to the independent review of council tax support led by Sir Eric Ollerenshaw and have contributed to the Government's independent review of the Community Infrastructure Levy, including restrictions on its use and the level of the charge.	Green
Lobby to free local government borrowing from Treasury restrictions	Nicola Morton Resources	Secured the ability of all councils to use future capital receipts to pay revenue costs for reform projects.	Green
Devolution - a radical re-think of governance and accountability			
Work with Councils to increase the number of devolution deals agreed with Government; including at least one deal with in a two-tier area	Rebecca Cox City regions People & Places	Three new deals were announced in the Budgets, including Greater Lincolnshire and East Anglia, both of which include two-tier areas. Extensions were also agreed to existing devolution deals. However, more work remains to be done on increasing the overall number of deals, and supporting councils as they move from deals to implementation.	Amber
Engage with every group of councils exploring a devolution deal	Rebecca Cox City regions People & Places	In April the LGA will be making a formal offer of support to all devo deal areas, as well as continuing the support available to all councils interested in devolution which has previously been reported.	Green
Produce three tools, events, or publications per quarter to support councils to develop and implement their ideas	Rebecca Cox City regions People & Places	In Q4, in addition to what was reported in February, we have produced a new 60-second explainer video, a 'Get In on the Act' publication for the Devolution Act, a report on early lessons from health and care devolution in Greater Manchester, and a briefing on health and care devolution.	Green
Make the case for councils and police and crime panels to be given the powers, tools and funding to enable them to build safe and resilient communities	Mark Norris Safer & Stronger	We have briefed in support of the provisions in the Investigatory Powers Bill that allow councils to access communications data as it has been considered in the House of Commons. We are drafting guidance for councils on the powers available in the Psychoactive Substances Bill. With Barnardo's we have secured transition funding from the DfE for the National FGM Centre to support its work over 2016/17. We are in discussion with the Home Office and CLG about developing a support programme available to councils and councillors in preventing terrorism and countering-extremism.	Green

Business Plan outcome	Board/lead	What have we delivered and has it helped achieve the business plan outcome?	Progress
Produce guidance, tools and events to support councils and police and crime panels to reduce crime and protect their communities	Mark Norris Safer & Stronger	We have launched an e-learning tool for new members of police and crime panels to introduce them to their new role, and sought clarity from the Home Office on the future funding of police and crime panels over the current spending review. We have commissioned research on the impact domestic abuse has across council services in a range of different local authorities. We have drafted guidance for councillors on their role in planning for and responding to civil emergencies, and contributed to draft CLG/LGA guidance for councils on the Prevent Duty. We are preparing guidance for councils on the approval process for PSPOs.	Amber
Work with ADCS and Solace to reform the model of accountability for children's services to produce a sector-led improvement framework and a more proportionate Ofsted inspection regime	Ian Keating Children & Young People	Discussions with Ofsted are continuing to produce a more proportionate inspection regime for children's services from 2017. We are pressing them to introduce a new framework as soon as possible, rather than waiting until 2017	Green
Commission and disseminate research to highlight the pressures councils face in meeting increasing demand with reducing resources and put the case for greater flexibility and resource	Ian Keating Children & Young People	We recently published action research on improvement in children's services and an analysis of Ofsted inspection reports. We are commissioning further reports on the effectiveness of different models of children's social care improvement	Green
Establish a children's services productivity programme to help councils with cost pressures	Ian Keating Children & Young People	Programme was launched before the financial year end and 7 councils received grants of £20,000 to provide support to productivity and efficiency programmes in children's services	Green
Enhance our children's support offer and encourage councils not yet inspected to take it up	Ian Keating Children & Young People	Confidential discussions between LGA Principal Advisers and Children's Improvement Advisers are ongoing to identify the councils yet to be inspected that are at the highest risk of being judged 'Inadequate' by Ofsted. Discussions about enhancing the offer await decisions from DCLG about the RSG topslice	Green
Deliver a range of conferences, training, publications and lobbying activity to support fire and rescue authorities as they continue to transform the fire service and to respond to changes in fire governance and firefighters' terms and conditions.	Mark Norris Fire Service Management Committee	We held our annual fire conference in March, which was positively received. At the conference we released our booklet "Beyond fighting fires 2" showcasing a number of examples of innovation collaboration and transformation underway in the fire and rescue service. We have had a meeting with the Labour Shadow Fire Minister regarding the Policing and Crime Bill and have tabled a number of probing amendments. We will continue to work with the workforce team on issues around terms and conditions, and will be working with them to respond to the Thomas Review when it is published.	Green
Economic growth, jobs and housing - councils central to revitalising local economies			
Support at least 150 councillors to maximise the contribution of culture and sport to growth	Rebecca Cox Culture, Tourism & Sport	We have delivered three Sport Leadership Essentials Programmes, two Culture Leadership Essentials Programmes, three library peer challenges, one library seminar and an evaluation of our library improvement activity. We are finalising a new suite of library transformation case studies.	Green
Develop a programme of activity to increase councils' awareness of the range of broadband providers, ensuring they have the widest choice possible to secure value for money	Rebecca Cox Culture, Tourism & Sport	Delivered successfully a Superfast Broadband event on 17 March which received positive feedback from councillors and officers. Also developed a national campaign - Up to Speed - to raise awareness of those residents and businesses still without adequate broadband speeds. It will provide councillors and council officers with a set of resources including a speed test, case studies and a toolkit, to become more informed as to how they can help their residents improve their speeds. Finally, we continue to engage with Government on this agenda through consultation responses and separate lobbying, and also with digital and mobile infrastructure sectors looking to promote more joint working with local government.	Green
Work with groups of councils to explore new and sustainable approaches to regulatory service delivery, helping them to develop the structures and secure the funding necessary to support this	Mark Norris Safer & Stronger	Continued work on the survey of licensing costs as part of our campaign to localise fee-setting. Attended Year Ahead in regulatory services conference to promote findings of LGA TS review. Supported the Cabinet office 'Cutting Red Tape' launch to identify regulatory burdens on councils.	Green
Produce guidance, tools, events and deliver training sessions to support councils enhance their regulatory services	Mark Norris Safer & Stronger	Held a councillor event focusing on how regulatory services can support economic growth. Commissioned follow up work to the LGA trading standards review on effective trading standards services.	Green
Consult councils on their appetite for a strong continuing role in education following the Government announcement of its intention to end the role of councils in running schools and in school improvement	Ian Keating Children & Young People	Following consultation with LGA Executive and the CYP Board, there is strong support for a continuing role for councils in education and school improvement and a extensive programme of work has been agreed to lobby against the proposals in the Education White Paper to force all council maintained schools to become academies.	Green
Work with councils and key partners to respond to the forthcoming Government consultation on cutting £600m from the Education Services Grant and lobby during the passage of the Education Bill on the removal of council statutory education powers to achieve the saving	Ian Keating Children & Young People	The Education White Paper that was subsequently published proposed to end the council role in maintaining schools by forcing all schools to become academies. Following a high-profile LGA campaign the Government withdrew this proposal. The Bill to implement the proposal to end the statutory council role in school improvement is expected in the next Queen's speech and the LGA will continue to lobby for a continuing role, with adequate funding, for councils in holding local schools to account for educational standards.	Green









Business Plan outcome	Board/lead	What have we delivered and has it helped achieve the business plan outcome? Progress	
Lobby at European and national level, based on the 2015 EU legislative programme, to ensure the optimum delivery of EU funds for Local Enterprise Partnership areas	Eamon Lally Strategic Infrastructure, EU	Lobbied to ensure maximum local decision making for 6bn 2014-20 ESIF programme, including influencing devolution deals to incorporate the greater autonomy over EU funds. . Successfully lobbied for a reversal of HMG policy decision to restrict local public bodies from applying for Co-Financing status in the 2014-2020 European structural programme. Launched well-received guidance publication for councils: "2014-20: A guide to EU funding which details how to access around 30 EU funds and loan schemes worth more than €20bn to local areas in England	Green
Support councils to work with partners to maximise the value of local and national infrastructure investment, including transport powers (with Local Partnerships).	Eamon Lally Environment, Economy, Housing & Transport	the EEHT board met with Lord Adonis, NIC Chair, to pres the nmeed fopr investment in local infrastructure and for full engagement of councils in national Infrastructure decisions. Lord Adonis has agreed to meet with the Board regularly to assess progres in these aims.	Amber
Support councils to work with government to ensure the new Work and Health Programme is designed in a way which is as locally flexible as possible (Deadline: October 2016)	Eamon Lally City Regions and People & Places	we continue to work with DWP on the details of design. WHP has now also become part of the discussion on BRR, which is both an opportunity and a complication.	Amber
Provide leadership in the devolution of adult skills funding and the development of local commissioning of provision (ongoing to 2017)	Eamon Lally City Regions and People & Places	The Government has agreed to devolve adult skills funding and we continue to work with government on how this can be done most effectively. Adult skills funding is also now part of the discussions on BRR. In addition the cities board and the P&P board have agreed a programme of work on employemnt and skills which includes work to understand a whole systems commissioning role for local government	Amber
Lobby Whitehall for the new apprenticeship policy – targets and levy – to be geared to local economic need with a lead strategy role for councils, and for the target to be based on full time employees rather than headcount (Deadline: April 2017)	Eamon Lally City Regions and People & Places	The entetprise Bill which introduces the apprenticeship levy is now Back in the Lords. As it stands the levey will apply to councils, despite intense lobbying by the LGA. The next stagte will be to continue to work with government to achieve local control over how the levy is used. we are working with councils adn teh gobvernment on how this might work.	Green
Influence the debate on the future of public employment service leading up to the expiry of Jobcentre Plus estate contracts in 2018 (from April 2017)	Eamon Lally City Regions and People & Places	The cities and P&P Boards have agreed to this work beign taken forward and in April a joint working group will set out the scope of ths work.	Green
Work through the housing commission to identify the measures that will unlock barriers to housing supply (July 2016) and work with the sector to see these measures implemented (ongoing)	Eamon Lally Environment, Economy, Housing & Transport	3 of the four evidence gatherign sessions have taken place. The final session will take place this month. We have received over 90 submissions and these have been summerised for members. We are still on course for publication on July.	Green
Work with councils, central government and other stakeholders to influence the next iteration of energy efficiency schemes from 2016 and we will coordinate our lobbying position with government to see sensible recycling targets introduced from 2020 (lobbying will influence decision-making in 2016/17)	Eamon Lally Environment, Economy, Housing & Transport	It is still not clear yet whether there will be a future energy efficiency scheme, but we continue to loby government on the basis that any such schemes will be more effectivelydevelopep and delivered at the lcoal level	Amber
Lobby to mitigate any negative impacts of the housing and planning bill	Eamon Lally Environment, Economy, Housing & Transport	We have had some significant successes in lobbying around Housing and Planning Bill which includes a commitment to allow councils to retain receipts for one to onme replacement. We are continuing to lobby and to work with partners on the details of amendments and government concessions.	Green

Business Plan outcome	Board/lead	What have we delivered and has it helped achieve the business plan outcome? Progress	
Promoting Health and Wellbeing - support citizens to live healthy, active lives			
Develop a joint vision for an integrated health and care system with local accountability and provide councils and health partners with a toolkit to develop their own vision by August 2016.	Mark Norris Community & Wellbeing	We have made significant progress on working with our partners on a shared vision. An LGA Member-led working group recently discussed and agreed the headline messages of the document and the Health Transformation Task Group also discussed and made comments on a draft. We have shared early drafts of the document with Senior DH and DCLG officials and are working with them to maximise the alignment between our system-wide vision for integration and the forthcoming DH guidance on 2017 integration plans. A joint meeting of CWB Lead Members and NHSCC Board Members will discuss and agree the key messages of the report on 28 April 2016.	Green
Influence the requirements local areas need as a minimum to 'graduate' from the Better Care Fund to an integrated system.	Mark Norris Community & Wellbeing	We have had further discussions with DH, DCLG and with the HTTG about minimum requirements for graduating the BCF. Early indications are that the 'minimum requirements' favoured by DH are very similar to the 'essential components' of integration outlined in the Vision document (see above for details). We will be working with DH on their guidance on the 2017 Integration Plans, which will set out the framework for graduating from BCF	Green
Launch a narrative at NCASC setting out the continued pressures facing adult social care and demonstrating the role councils play in alleviating pressure on the NHS.	Mark Norris Community & Wellbeing	Major written and oral evidence given to the Health Select Committee inquiry on the impact of the SR on adult social care – this was a good marker for what the NCASC publication will cover. Document scoped out and will feature important commentary on the state of the provider market. In support of this, a high-profile LGA-provider 'urgent summit' is scheduled for mid-May to discuss relevant issues. Also planning high-profile work with council Leaders re letter to the PM.	Green
Contribute to the LGA's work on business rates retention by developing our position on the potential transfer of attendance allowance to councils.	Mark Norris Community & Wellbeing	Conservations progressing internally and an initial 2-pager completed setting out the LGA's position on Attendance Allowance. Cross-Whitehall working group established with LGA Head of Policy/Senior Adviser involvement. Meeting scheduled for w/c 25 April between SA and relevant DCLG colleagues to discuss proposals in more detail, including how to secure greater local government reps in the discussions.	Green
Identify the components that improve and hinder good health and produce case studies and guidance to help councils adopt lifecourse and whole systems to this approach.	Mark Norris Community & Wellbeing	We continue to publish documents covering a range of health policies, Teenage pregnancy, Loneliness and Isolation, Oral Health in Children and the role of Community Pharmacy in PH. Delivered the final Health Champions Regional Event.	Green
Compile and produce case studies, to support councils deliver the public health agenda effectively.	Mark Norris Community & Wellbeing	We have published a trio of case study documents covering aspects of obesity and child obesity in partnership with others. On 17th March we held the Child Obesity Conference	Green
Influence the forthcoming Department of Health draft strategy on carers, the Prime Minister's 2020 Dementia Challenge Implementation Plan and national action plans on autism and learning difficulties and support councils in their delivery.	Mark Norris Community & Wellbeing	We have been meeting with stakeholders to develop our position on the Carers Strategy. We have supplied a second round of comments on the draft Learning Disabilities Strategy and we are planning an Autism Event with the Autism Alliance. There will be a focus on employment at this event. The PHE joint conference on Mental Health was very successful, with Norman Lamb speaking, and the main focus of the event was on children's mental health and prevention. We are discussing a children's mental health campaign with the media and campaigns team. The first meeting after the publication of the implementation plan of the PM's 2020 Dementia Challenge Programme Board is meeting on 20th April.	Green
Develop a toolkit to that enables councils to meet the capacity and financial demands, and maximise the opportunities, of an ageing population.	Mark Norris Community & Wellbeing	A first draft of the report has been finished and is being reviewed. Meetings have been held with the Centre for Ageing Better, and they will be attending the next People Policy Group (CWB Board) meeting.	Green
Survey councils and publicise good practice around the armed forces community covenant, and develop guidance to support councils by August 2016	Mark Norris Community & Wellbeing	Shared Intelligence has been co-commissioned with Forces in Mind Trust to deliver this piece of work. They are on-target to deliver for August 2016.	Green

Theme	Deliverables	2015/16 Target	Number delivered per quarter				Total	% achieved	Commentary/forecast
			Q1 Apr - June	Q2 July - Sept	Q3 Oct - Dec	Q4 Jan - Mar			
Peer Work in Local Authorities									
	Deliver at least 100 peer challenges (corporate, service specific, place based)	100	18	13	34	37	102	102%	
	Tailored support to at least 40 local authorities, or groups of authorities, with the most severe performance challenges	40	19	8	10	9	46	115%	
	Support at least 10 local authorities to manage and resolve issues between their political and managerial leadership	10	6	6	1	1	14	140%	
	Support at least 20 local authorities to develop their scrutiny skills	20	16	5	16	4	41	205%	
Efficiency & Productivity									
	Productivity experts to work with at least 20 local authorities	20	4	6	2	12	24	120%	
	Support at least 5 local authorities to pilot new way of delivering learning disability services	5	5	5	5	5	5	100%	not a cumulative figure
	Work with at least 10 local authorities to make their waste and recycling contracts more efficient	10	0	60	60	60	60	600%	not a cumulative figure
	Bespoke political and officer support for at least 25 local authorities to address financial sustainability; integrated budgets, management of risk and new delivery models	25	6	5	11	7	29	116%	
	Develop and publish a practical guide for local authorities to identify and manage the causes and triggers of demand and provide support for up to 20 councils.	20	10	10	0	0	20	100%	
Strong Political Leadership									
	Training for at least 500 councillors with leadership roles in their local authorities	500	137	187	216	224	764	153%	
	Support at least 50 talented councillors to progress their political careers through the Next Generation programme	50	58	58	65	65	123	246%	
	Recruit up to 100 high calibre graduates in to local government	100	n/a	98	0	0	98	98%	
Strong Local Economies									
	Tailored support to at least 15 local authorities to deliver their growth plans	15	4	11	0	9	24	160%	
	support at least 150 councillors to maximise the contribution of culture and sport to growth.	150	n/a	35	36	86	157	105%	
Workforce, Transformation and Integration									
	Support at least 15% of local authorities to transform their workforces and modernise the way they are managed	52	25	17	7	14	63	121%	
	Support at least 15 local authorities to develop a more commercial approach to their activities to deliver services differently	15	15	15	15	15	15	100%	not a cumulative figure
	Roll out tools to at least 10 local authorities to help review and reduce their management layers and spans	10	4	3	3	2	12	120%	

Major Projects Overview

Appendix 4

Project	Overall Status	Milestones	Budget	Risks	Headline
Layden House refurbishment					City of London acting as LGA client, with a professional services team appointed in April 2015. Concerns over planning consent for rear extension and proposed development by adjacent landowner which may adversely affect LGA proposal. Revised plans are due to go to Planning Committee in July 2016. Vacant possession of the office floors achieved on 31 March 2016 and a Consent Order to remove the T-Mobile & Hutchinson telecoms masts on 30 Sept 2016 has now been agreed. The first stage of the tender process to secure a main contractor for both the Layden and LGH projects has been completed and only one supplier from the Southern Construction Framework expressed an interest which is insufficient. It is now likely that a full OJEU tender process will have to be run which will delay the projects. A further assessment of procurement options including other Framework Agreements available and the programme is being reviewed by the professional services team and City of London.
Local Government House Refurbishment					Stage 2 designs complete - includes (a) straight refurbishment, (b) improvements to basement, (c) seventh floor extension, (d) air conditioning. Initial cost estimates are high - subject to final decision on scope once tenders received. Start date now subject to review of main contractor procurement options. Potential decant options for a November 2017 move have been identified. Tenants and other users of the building being kept informed.

RED

Project will miss milestones or targets, or deliverables will be compromised. Replan or descope required

AMBER

There is a chance that project will miss targets, deadlines or deliverables will be compromised unless specific action taken

GREEN

Everything under control

BLACK

N/A

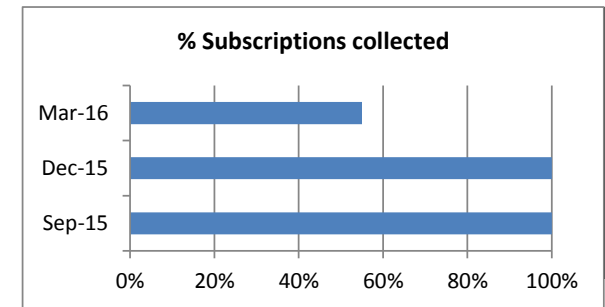
**Major Projects
Milestones**

MILESTONES					
Project	Milestone	Completion	Revised date	Status	RAG
Layden House	Procurement of consultant team	Jul-15		Completed	●
	LGA approval of concept design	Jul-15		Completed	●
	Completion of stage 1 feasibility study	Oct-15		Completed	●
	Completion of stage 2 concept design	wc/ 2/11/2015		LGA sign off	●
	Issue planning applications options 1 & 2	11/12/2015		Note	●
	Issue 1st stage tender	Jan-16		Note	●
	Likely planning approval	18/04/2016		LGA sign off	●
	Review tender returns	Mar-16		LGA sign off	●
	Detailed design (stages 3 and 4)	Apr-16		Note	●
	Appoint main contractor	May-16	TBC	LGA sign off	●
	Start on site	Jun-16	TBC	Note	●
	Project completion	Feb-17	TBC	Note	●
	Overall				●
Local Government House	Procurement of consultant team	Jul-15		Completed	●
	LGA approval of concept design	Jul-15		Completed	●
	Completion of stage 1 feasibility study	Oct-15		Completed	●
	Completion of stage 2 concept design	24/12/2015		LGA sign off	●
	Progress to stage 3 - funding to be agreed	Jan-16		LGA sign off	●
	Stage 3 report submission	08/02/2016		LGA sign off	●
	Issue 1st stage tender	Jan-16		Note	●
	Detailed design (stages 3 and 4)	Apr-16		Note	●
	Review tender returns	Apr-16		LGA sign off	●
	Appoint main contractor	May-16	TBC	LGA sign off	●
	Start on site	Jun-16	TBC	Note	●
	Project completion	Feb-16	TBC	Note	●
	Overall				●

Membership

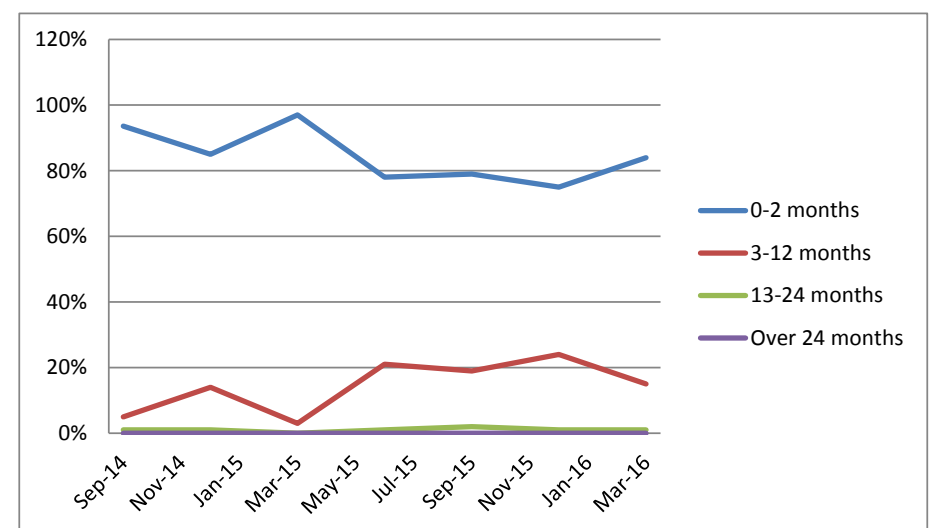
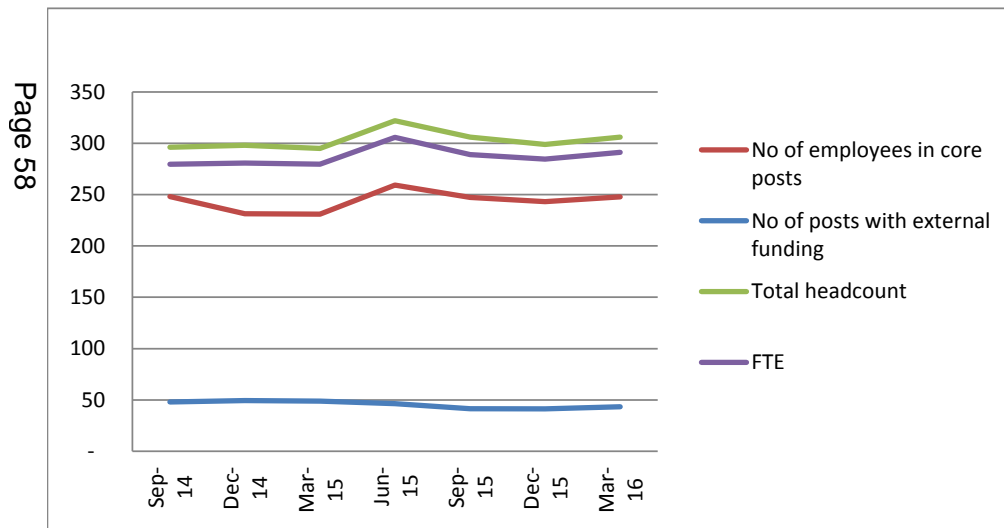
	Sep-15	Dec-15	Mar-16
Total membership	414	414	435
No of councils out of membership	3	3	3
No of councils on notice to withdraw	9	9	8

Our reputation	Mar-15	Mar-16	Target 15/16
Member authority satisfaction	75%	76%	>75%
Member authority informed	79%	83%	>79%
Member authority advocacy rating	82%	85%	>82%
Value for money	53%	56%	>53%

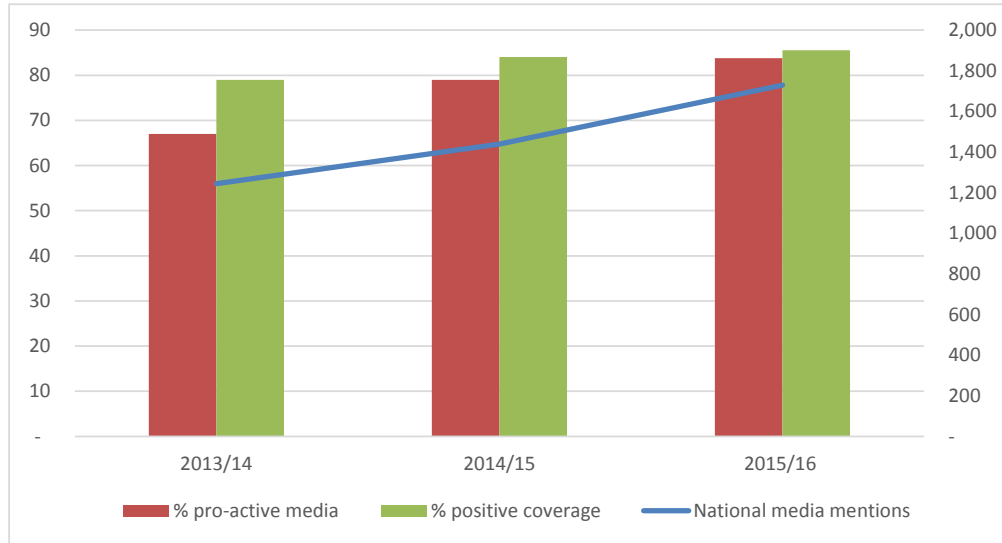


Financial Sustainability

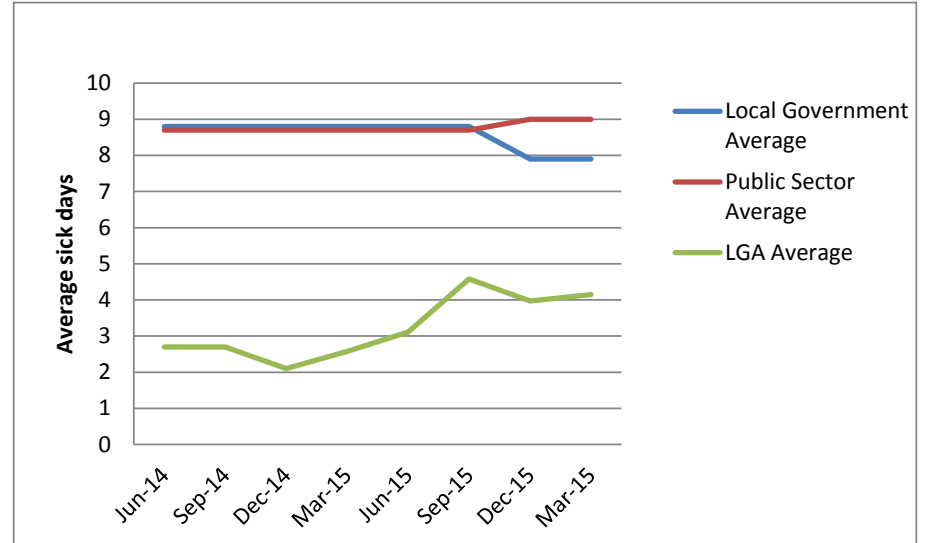
Debtors



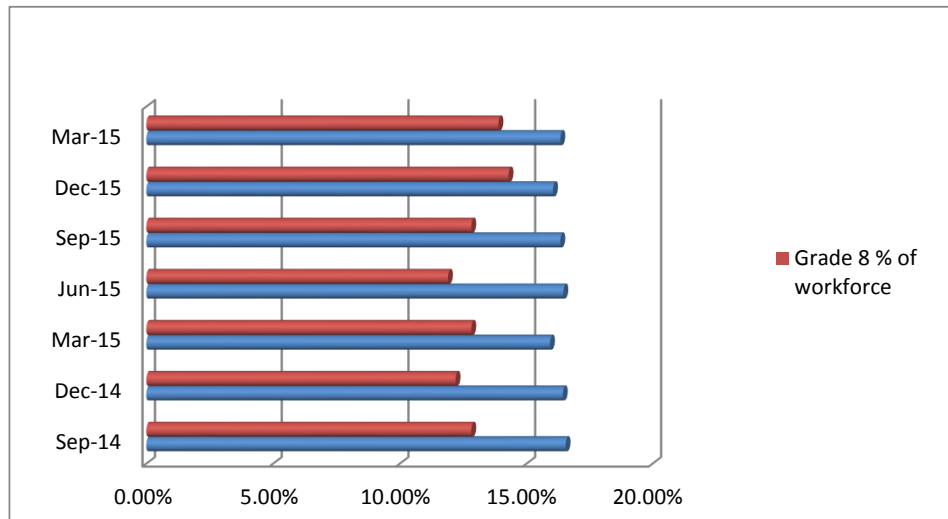
Media Coverage



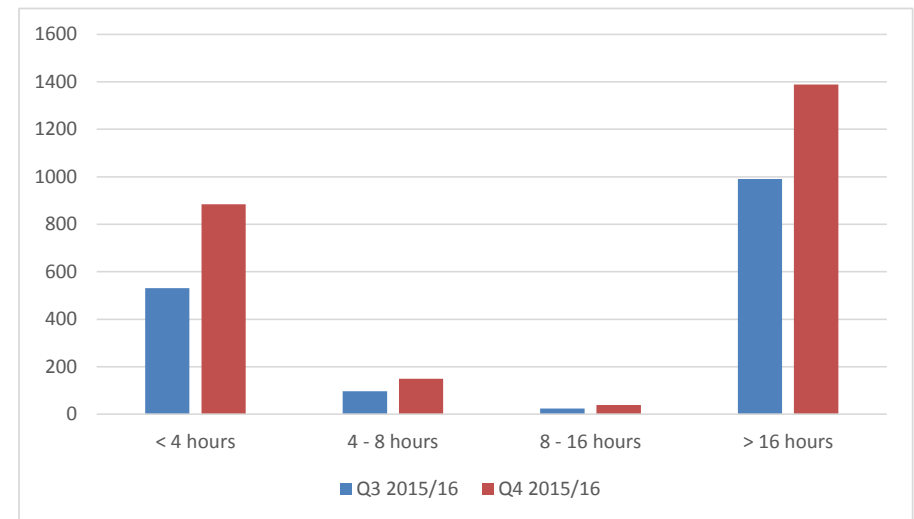
People Management



Workforce profile



Brent IT service desk resolution times



LGA STRATEGIC RISK REGISTER – SUMMARY - May 2016

Ref	Category	Description of risk	Score (1-5)		RAG	Dir	Mitigation	Owner
			I	L				
SR1	Effectiveness	The LGA's dependence on central government grant undermines its ability to lobby and represent the sector effectively.	4	3	12		Continue to develop commercial income streams to reduce dependence on RSG	SP
SR2	Effectiveness	The priority to maintain membership levels reduces the LGA's ability to drive sector led improvement.	4	3	12		Pro-active marketing of improvement and leadership programmes; political intelligence to enable early targeting of support.	DS HGOs
SR3	Effectiveness	Overemphasis on the problems facing councils leads to failure to set ambitious priorities and seize the strategic opportunities for the sector.	5	2	10		Maintain focus on potential big wins and opportunities for local government	CX
SR4	Reputation	The LGA, is seen as the main opposition to central government, potentially impacting adversely on relationships and effective lobbying.	5	3	15		Continue to manage political relationships; sensitive media/membership messaging	HGOs DH
SR5	Reputation	Consistent messaging about the crisis in local government damages the LGA's reputation as an effective voice for the sector.	3	3	9		Ensure that all communications activity balances gains and good news stories with challenges	DH
SR6	Reputation	Greater political uncertainty and financial challenge makes it difficult to deliver consensus.	4	3	12		Monitor through HGOs Ongoing political engagement programmes	HGOs
SR7	Membership	The LGA does not engage with the new Combined Authorities and metro mayors leading to fragmentation of the sector and the loss of a single voice for local government.	4	3	12		Involve emerging CAs/metro mayors in design and delivery of governance and other arrangements that reflect their priorities	CH IH
SR8	Membership	LGA's membership base is reduced as Councils can no longer justify subscription and through proposed restructures of Fire & Rescue Authorities and Welsh councils.	4	3	12		Monitor restructure proposals and model impact; consider options to retain FRAs; increase associate membership scheme. Monitor through HGOs and PAs. Membership benefits packs	CH Pas HGOs
SR9	Resource management	Further reductions in RSG and subscriptions, failure to deliver against commercial targets, combined with the pension deficit, make the LGA/IDeA financially unsustainable.	5	3	15		Action to manage pension funds; Use property assets and returns to minimise revenue contributions to fund deficits; prioritise commercial activity and property investments; cultural change programme to engender greater commercial understanding with visible senior and political champions;	SP CH PB

SR10	Resource management	The LGA's high dependence on its property portfolio makes it vulnerable to high construction costs and a downturn in the property market.	4	3	12		Close monitoring of costs and project risks for refurbishment projects; continued focus on other commercial opportunities.	SP CH PB
SR11	Organisation	Loss of key staff reduces the LGA's ability to delivery on the expectations of its membership.	3	3	9		Succession planning and staff appraisal and development	CH
SR12	Organisation	ICT systems failure means that LGA is unable to deliver its priorities and services and flexible working model breaks down	5	3	15		Brent disaster recovery plan regularly reviewed and updated. Close monitoring of ICT contract	CH

KEY

Score	RAG	Management action
1-5	Green	Accept and monitor periodically
6-10	Yellow	Monitor regularly and take action if becomes more serious.
11-15	Amber	Management action to address. Regular reports to SMT.
16-25	Red	Urgent action to address. Ensure political leadership briefed.



LGA consolidated financial statements for the year to 31 March 2016

Purpose of Report

For members to agree the consolidated financial statements, prior to the accounts being adopted at the LGA General Assembly on 5 July 2016.

Summary

The LGA consolidated financial statements for the year ended 31 March 2016 have been produced and are included in the appendices to this report. The final draft of the financial statements is presented for the Audit Committee to review, prior to these being agreed at Leadership Board and adopted at the General Assembly on 5 July 2016. The audited financial statements for IDeA, LGA (Properties) Ltd and LGMB are also presented for review, prior to these being presented for adoption to their respective company boards before the end of June.

Recommendation

The LGA Leadership Board is asked to agree the financial statements for 2015/16 prior to their adoption at the LGA General Assembly on 5 July 2016.

Action

Strategic Finance Manager to take any action as directed by Members.

Contact officer: Paul Brack
Position: Strategic Finance Manager
Phone no: 0207 187 7309
E-mail: Paul.brack@local.gov.uk



LGA consolidated financial statements for the year to 31 March 2016

Background

1. The consolidated financial statements also disclose the position of the LGA as a stand-alone entity through incorporation of the Association's Statement of Comprehensive Income and Statement of Financial Position. These are the new names required for Income and Expenditure and Balance Sheet in the new FRS102 presentation of the Accounts from this Financial Year.
2. The aim is for all the company accounts that feed into the LGA's consolidated accounts to be reviewed by the Audit Committee and adopted by the respective company boards in June, to ensure that a fully verified set of accounts is presented to the General Assembly. The Committee is therefore being asked to review the LGA accounts and the property company accounts at this meeting along with the IDeA accounts.
3. Representatives of Littlejohn LLP, the appointed auditors, will be in attendance at the Committee's meeting. Their report on the audit of the LGA and all its associated companies is included at **Appendix E (to follow)**.
4. The following paragraphs provide commentary on the information disclosed in the financial statements and highlight the most significant points.
5. Members of the Leadership Board and the individual company boards will also receive a report of the observations of the Audit Committee.

LGA - Group

6. The consolidated accounts show the LGA and its related bodies made an operating surplus of £3.160 million, the main causes of the trading surplus are:
Savings - £2.450m
 - 6.1. Reduced spend on the IT contract - £1.3m, Corporate Costs £0.3m.
 - 6.2. Additional contributions to overheads from 50% higher than budgeted ring-fenced activities - £0.6 million.
 - 6.3. An increase in the budgeted LGA's share of the surplus from GeoPlace LLP £0.250m.Additional Costs – 0.9m
 - 6.4. Expenditure for severance costs and reorganisation delivery costs to enable the restructuring savings at 6.1 above - £0.9m.Accounting Adjustments – 1.708m
 - 6.5. Additional unrealised gains on revaluation of Layden House and Local Government House - 3.523m

- 6.6. Current year cost adjustment of £1.815m required to account for the pension scheme deficit in accordance with accounting standards. Note this is offset by a £19.924m credit to the Pension Deficit Reserve arising from a positive actuarial gain from our pension funds this year.
7. Gains and losses that relate to changes in the actuarial assumptions used to calculate pension scheme liabilities, as well as the excess contributions made to reduce historic deficits are now all included within the overall Statement of Comprehensive Income for the year of 23.084m.
8. The overall pension fund deficit reported in the accounts has decreased by £18.109 million to £94.751 million. This reflects a decrease of £2.462 million in the LGA's pension deficit with the Merseyside Pension Funds to £35.042 million; and a decrease in the IDeA's pension deficit with the Camden Pension Fund of £15.647 million to £59.709 million. In line with FRS 17 accounting standards, the valuation in the accounts values assets at market value on 31 March 2016, and liabilities using a discount rate based on the return available on AA corporate bonds, also at the balance sheet date. This valuation is therefore subject to market performance on a specific date.
9. The consolidated accounts also show a revaluation gain of £3.523 million relating to Group investment properties. The new accounting standard FRS102 requires the consolidated accounts to show for Layden House (100%) and Local Government House (LGH - 11%) the indicated percentages of the current market values. For LGH this reflects the percentage of the asset which is used by non-group bodies. This element of properties values are now treated as investment properties. The total market value for each property is Layden House - £25.800 million and Local Government House - £38.850 million.
10. Overall income decreased from £64.864 million to £62.012 million due to a reduction in Government Grants and Other Income, offset by increased income from the Children's and Adult conference being run by the LGA in alternate years.
11. The LGA's GeoPlace LLP Joint Venture made a useful contribution to income during 2015/16, making a dividend payment of £1.75 million.
12. Finally as agreed in the LGA's three year Financial strategy, the surplus on the General Reserve created by the LGA £0.661 million and IDEA £1.126 million operations has been to the new Risk and Contingency reserve. The Reserve is created to provide cash resources to fund developments in future years 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). This £1.787 million adjustment is shown on the new Statement of Changes in Equity.



IDeA – Appendix B

13. IDeA made an operating surplus after interest of 0.956 million in 2015/16. the main causes of the trading surplus are:

Savings - £1.0m

13.1. Reduced costs from Corporate Services £0.5m.

13.2. Additional contributions to overheads from ring-fenced activities - £0.250 million.

13.3. An increase in the budgeted LGA's share of the surplus from GeoPlace LLP £0.250m.

Accounting Adjustments – 0.170m

13.4. Current year adjustment of £0.170m required to account for the pension scheme deficit in accordance with accounting standards. Note this is added to the £15.817m credit to the Pension Deficit Reserve arising from a positive actuarial gain from our pension funds this year.

14. As explained above, the IDeA's pension deficit with the Camden Pension Scheme has reduced by £15.647 million as at 31 March 2016. The reduction in liabilities in the last year has mainly been driven by the falling Discount rate (expected long term investment return) meaning more money is needed now to pay future benefits.

15. Overall, income reduced from £41.498 million to £38.230 million. This was mainly due to the continued reduction in government grants.

Local Government Management Board – Appendix C

16. LGMB owns the freehold of Layden House. The company's turnover of £0.892 million comprises rent received from a number of third party tenants.

17. The company's net operating Income of £2.806 million arises the net costs from running the property of £0.126 million and £2.932 million gain from the latest revaluation of the property at £25.8 million.

18. The accounts highlight the fact that following a detailed options appraisal, the board has agreed to the refurbishment of Layden House in order to increase both the capital value of the building and its income base.

LGA (Properties) Ltd – Appendix D

19. LGA (Properties) Ltd owns the freehold of Local Government House. The company's turnover of £1.601 million comprises rent received from the LGA, the IDeA and a number of external tenants. In accordance with the original lease to the LGA, the rent charged covers the cost of insuring the property and servicing the mortgage loans on it.
20. The company's net operating Income of £4.449 million arises the net income from running the property of £0.156 million and £4.293 million gain from the latest revaluation of the property at £35.850 million.

Audit opinion – Appendix E (to follow)

21. A representative of the auditors will be in attendance at the meeting. As part of the audit process, the auditors' report to the Leadership Board with their observations on the audit. A copy of the final draft of this report (the ISA 260 communication) is presented to the Committee at Appendix E. This comments on the differences in figures that resulted in adjustments during the audit, on departures from generally accepted accounting practice and on recommendations for improvement of our financial management and reporting.
22. The draft report comments on one matter in which the accounts do not comply with generally accepted accounting practice – there is no separate detailed information on pension scheme assets and liabilities relating to the LGA only. The view of the Strategic Finance Manager is that further lengthening of the pension disclosure information would add complexity without significantly increasing the reader's understanding. The auditors' view is that this element of non-compliance would not prevent them from giving an unqualified 'true and fair view' audit opinion.
23. Detail from the auditors and Appendix E will follow when the final report has been received from PKF Littlejohn.

Recommendation

24. Members are asked to agree the financial statements for 2015/16 prior to their adoption at the LGA General Assembly on 5 July 2016.

LOCAL GOVERNMENT ASSOCIATION

**Report and Consolidated Financial Statements
for the year ended 31 March 2016**

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LOCAL GOVERNMENT ASSOCIATION**CHIEF EXECUTIVE'S REPORT**
Year ended 31 March 2016

The Local Government Association (LGA) is the national voice of local government, working with councils to support, promote and improve local government.

We are a politically-led, cross-party organisation that receives funding from our member councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

We receive direct funding from government to help councils with their continuous improvement. Our work ensures councils are supported to provide the best possible services to the people they serve.'

Supporting local government as the most efficient and accountable part of the public sector, we play a leading role in improvement and innovation so that councils can continue to make a difference in their local areas and to the lives of their residents.

We cover every part of England and Wales, including county and district councils, metropolitan and unitary councils, London boroughs, Welsh unitary councils, fire and rescue and national park authorities. In 2015/16 we had 435 member authorities in England and Wales. The 22 Welsh authorities are in corporate membership through the Welsh Local Government Association.

The year in focus

Working with councils, we highlighted to Government the financial challenges councils face over the next few years and the need for greater devolution of powers and finance, and the need for public service reform at a local level.

The LGA has long-called for a radical reform to the way that public services are funded and are provided. Local government is trusted over national government to lead these changes to the services we deliver and, as an organisation, speaking with one voice we are in the best possible position to represent local government at a national level. Our work in the lead up to the General Election – with our Re-wiring Public Services and First 100 Days campaigns – made the case for change, and on many of the important issues the Government listened.

The last 12 months has seen significant progress on issues such as devolution and fiscal autonomy for local government. Although it will be tough, we have helped to ensure local government will be operating for the life of this Parliament with some much needed certainty.

Our DevoNext campaign pushed for progress in devolving powers to local government and further devolution deals were announced delivering powers to the most local level, and our Show Us You Care campaign called for the Government to recognise the pressures on adult social care which saw extra money for the Better Care Fund and some progress on greater council tax flexibility to help fund social care.

CHIEF EXECUTIVE'S REPORT

Year ended 31 March 2016

As a result of this work, we saw a number of devo deals announced and progress on reform of business rates so that local government will be able to keep 100 per cent of business rates. We are working closely with councils and the Department for Communities and Local Government (DCLG) to ensure any new arrangements are fit for purpose.

The financial challenges councils face mean that finding new and innovative ways to improve effectiveness, increase efficiency and reduce costs is more important than ever. Our improvement support has been widely taken up by councils this year and we've played a critical role in driving improvement, helping to deliver millions of pounds of savings and improve services for residents.

Our annual survey of councils shows we have continued the trajectory of improvements in satisfaction 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. This year has seen an increase in those who feel we keep them well informed – from 79 per cent in 2014/15 to 83 per cent in 2015/16. Our sector-led improvement offer remains widely valued and we continue to develop our offer to meet the changing needs of councils.

Of course we will never be complacent and we are always listening to what councils think through our visits and events around the country and to other feedback on our work.

Our priorities

Our priorities, agreed every year by our politicians, are based on feedback from councils. In 2015/16, our priorities for local government were:

- Sector-led improvement.
- Funding for local government
- Devolution
- Promoting health and wellbeing
- Economic growth, jobs and prosperity
- Housing

Funding for local government

Through our Future Funding campaign and our 'Shared Commitment' submission to the Spending Review, we called for the Government to spend smarter rather than just spending less.

In the final Local Government Finance Settlement, the Government committed to longer-term funding settlements, something we have long-called for as a way for councils to be given more certainty and to enable them to plan ahead. In addition, we secured:

- £150 million in both 2016/17 and 2017/18 for councils most adversely affected by the change in the distribution of Revenue Support Grant (RSG)
- £2.3 million for 2016/17 and £22.8 million in 2018/19 to remove adjustments to tariffs and top-ups to reflect negative RSG and

CHIEF EXECUTIVE'S REPORT

Year ended 31 March 2016

- changes to the flexibility to raise council tax by a maximum of £5 or 2 per cent which could raise an additional £39.2 million in council tax in 2019/20.

We also launched the Municipal Bonds Agency to raise and lend capital at rates below the PWLB certainty rate giving councils the opportunity to borrow money more cheaply. This could save between £1.2 billion and £1.45 billion over 30 years.

Over the course of the year, we also secured a number of significant wins for councils. These included:

- An extra £1.5 billion for adult social care through the Better Care Fund
- Extra funding for early years provision and additional capital funding of £50 million
- New burdens funding, including for property searches, flood authorities and Deprivation of Liberty Safeguards.

Economic growth, jobs and prosperity

Throughout the year, we've been working to ensure that local government is recognised as being central to economic growth. Our influencing work has ensured that:

- The Infrastructure Act now includes a legal obligation for Highways England to produce route strategies on which to base future investment plans, to consult councils on their roads development programme
- Planning permission is now required for all new betting shops, helping councils manage the proliferation of betting shops on high streets which can hinder local growth regeneration

Promoting Health and Wellbeing

Councils are best placed to support their residents to live healthy, active lives and to remain at home and independent for as long as possible. To support councils to do so, over the last 12 months we have:

- Influenced the Government, in the passage of the Childcare Bill, to invest more than £1 billion more a year by 2019/20 in free childcare places, £50 million of capital funding to create additional nursery places and more than £300 million to increase the average hourly rate for providers
- Ensured flexibility to raise council tax by 2 per cent above the referendum threshold to help fund adult social care
- Secured an extra £20 million for free school meals.

Devolution

2015/16 saw a seismic change in the devolution of powers to local areas. To ensure that councils were given the powers and responsibilities to tackle the big challenges facing them in the coming years we:

- Secured a commitment in the Cities and Local Government Devolution Act that The Secretary of State would report on devolution progress annually, bringing greater transparency and accountability

CHIEF EXECUTIVE'S REPORT

Year ended 31 March 2016

- Provided the secretariat for the All Party Parliamentary Group on Reform, Decentralisation and Devolution's Inquiry into Better Devolution for the Whole UK, to help influence the devolution agenda
- Organised for members to speak about devolution at 75 stakeholder events across the Party Conference season
- Launched a support offer for councils interested in securing the benefits of devolution for their areas, supporting with brokering and strategic advice.

In addition, we have provided support to councils on a range of specialist issues such as finance and communications to help support their devolution work.

Housing

As the Housing and Planning Bill passed through the House of Commons and House of Lords, we worked behind the scenes and in Parliament across all political parties to influence its contents provide background information and research on the proposals, support and table amendments to the legislation and influence government policy. Changes secured include giving councils the ability to grant secure tenancies to families with children, restrictions around the resale of starter homes, changes to the taper rate for 'pay to stay', and time-limited pilots on competition in processing planning applications.

Sector-led support

This year we further increased our offer to support councils to help them to improve performance, effectiveness and efficiency. Our approach is based on four key principles:

- councils are responsible for their own performance
- councils are primarily accountable to their local communities
- stronger local accountability and increased transparency drive improvement
- councils have collective responsibility for the performance of local government as a whole.

Over the last year, we supported councils by:

- delivering 102 peer challenges
- providing tailored support to 181 different councils and two fire and rescue services
- supporting 57 councils to help them improve their communications activity with residents
- providing councils localised data through our LG Inform system, helping them to better understand their local communities and providing them with data to help better plan services
- providing support to 24 councils across 15 projects with total projected savings of £32.7m through the Productivity Experts Programme
- holding leadership training for 764 councillors

CHIEF EXECUTIVE'S REPORT
Year ended 31 March 2016**LGA in the media**

In the last year, through our proactive media work, we generated more than 31,000 media hits for local government – that's 85 a day.

13% increase in national coverage year-on-year from 1,529 media hits in 2014/15 to 1,729 in 2015/16

86% of coverage was positive about local government

83% of coverage was through pro-active media work by the LGA, often working with member councils

LGA in Parliament

Promoting and defending the reputation of local government and representing councils' interests in Parliament are key areas of work that matter most to our member councils.

892 mentions of the in Parliament over the course of 2015/2016 - on average we were quoted three times each day Parliament was sitting to debate policy and legislation.

The LGA has supported or secured positive change to the following legislation that passed through Parliament:

The Cities and Local Government Devolution Act 2016

The Housing and Planning Act 2016

The Education and Adoption Act 2016

The Welfare Reform and Work Act 2016

The Childcare Act 2016

The Psychoactive Substances Act 2016

The Immigration Act 2016

The Enterprise Act 2016

The LGA has submitted evidence to more than 70 parliamentary inquiries, on a range of subjects such as business rates, devolution, the funding for health and social care, housing, flood, children in social care, apprenticeships and air quality. We also supported the Better Devolution Inquiry which saw a cross party group of MPs and Peers develop a series of recommendations on the future roadmap for devolution.

At a glance**At a glance: A year in the LGA**

More than 6,000 delegates attended over 60 LGA events with 61% of events free to attend.

We had 4.1 million website views with 770,626 unique users of the website. Our corporate twitter account gained over 4,000 new followers – with a total follower count of 15,500 – and received more than 10,000 mentions.

April

Launched the LGA's Digital Councils hub, providing social media and digital guidance and best practice.

May

Released 'English devolution: local solutions for a successful nation' demonstrating what devolution could mean at a local level.

June

Called for a radical reform of public service delivery with the launch of an updated Future Funding Outlook which showed councils faced a funding gap £9.5 billion by 2020.

July

Launched 'A shared commitment: Local government and the Spending Review', our publication which laid out local government's proposals for the Government's Spending Review at Annual Conference which attracted over 1,400 delegates.

August

Highlighted best practice for councils around Dementia friendly communities

September

Hosted debates at the autumn party political conferences and secured more than 70 opportunities for our councillors to contribute to stakeholder events, including debates and roundtables.

October

Hosted the National Children and Adult Services (NCAS) conference in Bournemouth, attended by 866 delegates.

November

#OurDay took place with nearly 19,000 tweets and 8,541 twitter handles from across local government taking part.

December

Supported councils in their response to flooding and extreme weather

January

Called on the Government to establish a national dispersal scheme and provide adequate funding for unaccompanied asylum seeking children

February

LGA Chairman, Lord Porter, and LGA President, Lord Kerslake, give oral evidence to the House of Lords Economic Affairs Committee on the economics of the housing market.

March

At a glance

Inquiry into better devolution for the whole UK published 'Devolution and the Union: A higher ambition', LGA provided the secretariat for the APPG.

LOCAL GOVERNMENT ASSOCIATION

STRATEGIC REPORT

Year ended 31 March 2016

Principal Activities

The Local Government Association (LGA) was set up as an unincorporated body on 1 April 1997 following the merger of the three previous local authority associations covering England and Wales (the Association of County Councils, the Association of District Councils and the Association of Metropolitan Authorities), to provide a single national voice for local government.

During 2016 the LGA continued to streamline its merged its operations with those of its associated organisations – the Improvement and Development Agency (IDeA), its two property companies Local Government Management Board (LGMB) and LGA (Properties) Ltd, all three of which are subsidiaries of the LGA. In 2016 the Local Government Information House (LGIH) was merged into the IDeA.

The shared objective of the LGA and its associated organisations is to make an outstanding contribution to the success of local government as the national voice of local government working with and on behalf of the LGA's member authorities to support, promote and improve local government.

In year performance

This has been a successful year for the LGA with significant progress on all the priorities agreed by the LGA Executive. These priorities were firmly based on the most important issues for our members. In deciding these, we looked at intelligence from councils, a great many of whom are actively involved in the LGA through representatives on our boards and panels, at issues emerging from government or already going through the legislative process, and at the economic and social challenges that impact on local authorities.

Despite further reductions in our core funding, we have delivered a satisfactory financial outcome in 2015-16. Although our income from subscriptions, RSG top-slice and other income including grants fell by a total of 5.4 per cent in 2015-16 as compared with the previous year, we kept costs down and invested in reducing costs of back office services, at the same time as continuing to deliver on our key priorities and deliver direct support to councils. Both the LGA and the IDeA continued to make a significant payments towards their pension fund deficit.

Future Developments

As with many other parts of the public sector, we face possible reductions in our core funding over the medium term and are taking steps to ensure we develop new sources of income as well as continuing to reduce our costs. During 2014-15 we took the decision to terminate the contract with Liberata, who provided our back office services and corporate overheads, with a view to achieving significant efficiencies. In 2015-16 this has helped to create a year end group operational surplus of £ 1.4m, and will deliver budgeted full year savings in 2016-17 of £4.3m.

Our future success will rely heavily on our delivering ever greater value to local government at a time when councils themselves are facing significant reductions in their own funding and are, more than ever, questioning the value of every item of expenditure. As agreed by the Leadership Board, the 2015-16 surplus has been allocated to a new risk and contingency reserve in our balance sheet. This will be used to provide opportunities to invest to save costs or generate additional commercial income, and also to cover the potential risks to the 3 Year plan included in the LGA's Financial Strategy.

STRATEGIC REPORT
Year ended 31 March 2016

During 2016/17 the LGA's Financial 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.

Principal risks and uncertainties

Our arrangements for risk management include the regular review of a strategic risk register with clear responsibilities assigned to named senior officers for the management of the principal risks. These included ensuring that we deliver on our objectives and have impact for our members, ensuring that membership levels are maintained, ensuring that we have effective governance arrangements and financial sustainability, and ensuring that we maintain employee capacity and capability. We have also put in place clear governance and project management arrangements for projects designated as being high risk from a financial or operational point view.

Our operations expose us to a variety of financial risks that include ensuring that the funds held by us are, first and foremost, secure; second, that adequate liquidity is maintained so that sufficient funds are always available to meet current liabilities; and third that the best return on investment is obtained subject to achievement of the first two objectives.

Our principal liabilities other than those arising in ordinary day to day business relate to our combined pension deficit and three main liabilities: structural interest free debt of £8.2 million due to the predecessor Local Authority Associations and related to the purchase of the Smith Square property; bank debt of £4.86 million on separate loans due to Barclays relating to the Smith Square property, which is currently being repaid at the rate of £0.7 million each year; and a liability of £0.270 million per annum until 2020 for funding the District Councils' Network (DCN), financed from cash received from the predecessor Local Authority Association.

The valuation of our combined pension deficit was £94.75 million at 31 March 2016. In order to pay off the pension deficit and liabilities for past employees, we are currently making additional contributions averaging over £4 million per annum. Actuarial advice indicates that on reasonable long term assumptions, these contributions will be sufficient to eliminate the deficit over a period of 22 years for the LGA and 15 years for the IDeA. The LGA's Leadership Board has commissioned further work to investigate ways in which the management of the pension deficit can be improved and has agreed to the refurbishment of Layden House from 2016 as part of this strategy.

Price risk

We have relatively low exposure to price risk. Our employee costs are controlled through formal annual negotiations with employee representatives. Our back office services are now mainly delivered in house, with ICT services delivered through jointly owned company with Brent Council, by Brent ICT team. Other services are procured from a range of external providers through competitive tendering arrangements in line with our formal procurement procedures.

Credit risk

We have a debt management policy and clear credit control procedures which include regular review and follow-up of our trade debtors.

STRATEGIC REPORT
Year ended 31 March 2016*Liquidity risk*

Our agreed approach is to manage our revenue budget so as deliver a balanced budget that does not require a net call on cash for the financial year as a whole. We maintain an adequate level of day to day liquid funds to pay liabilities promptly as they fall due.

Cash flow risk

We have both interest-bearing assets and liabilities. Subject to our liquidity requirements, which are assessed on a weekly basis, surplus funds are deposited in accordance with the Approved Investment Strategy as agreed by the LGA's Leadership Board.

Key performance indicators

We have reviewed the impact of our work and the delivery of our priorities through robust performance management which has included regular reports to the LGA's Leadership Board. In addition we have reviewed our own efficiency and effectiveness through a number of key indicators. These include the number of organisations in membership, which has increased to 435 in 2015-16, with only three councils out of membership. The National Association of Local Councils entered into a corporate membership with the LGA and requested that 22 Town/Parish councils had access to our associate membership scheme.

In December 2015 we carried out a survey of our members which gave us important information about customer satisfaction with 76 per cent of members indicating that they were satisfied with our services. We have set ourselves the target of increasing member satisfaction and also their perceptions of the value for money we offer and we will monitor our progress with this through annual surveys.

We review our financial sustainability by carefully controlling our staff costs. Following a reduction in our core grant funding, over the last three years employee numbers have fallen from 529 employees in the year ended March 2012 to 309 employees in the year ended 31 March 2016. The increase in number over the last year of 13 relates to the insourcing of most of the back office services referred to above, offset by further reductions in core employees. We continue to monitor employee absence, which has risen from an average annual number of sick days per employee of 2.6 days in March 2015 to 4.2 days in March 2016.

We continue to pay close attention to the collection of outstanding debt. The percentage of debtors over 12 months was 1 per cent of the total debtors at March 2016.

Market Value of Land and Buildings

The market value of Local Government House, which is owned by LGA Properties Ltd, is considered at the latest valuation in March 2016 to be £35.850 million. In the Group accounts 11% of the above market value is reflected as an investment in the groups' balance sheet. The remainder held as an operational asset at the current net book value of £14.6m.

STRATEGIC REPORT
Year ended 31 March 2016

Layden House, which is owned by Local Government Management Board, is classified as an investment property and included in these financial statements at its market value of £25.8 million. As mentioned above, the LGA's Leadership Board has now agreed to the refurbishment of Layden House from 2016.

Environment

We have agreed an environmental policy which includes the commitment to:

- continually reduce waste and increase our recycling rate
- reduce paper use
- ensure that procurement of goods and services adheres to our green purchasing and procurement policy
- champion and mainstream consideration of environmental sustainability throughout our outward facing work programmes and services
- comply with all applicable legislation, regulation and with other relevant requirements relating to our environmental impacts.

Employees

Details of the number of employees and related costs can be found in note 3 to the financial statements on page 32.

Consultation with employees and their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests. Communication with all employees continues through direct briefing and regular use of our intranet.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with us continues and that appropriate support and training is arranged. It is our policy that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

Political and charitable contributions

Neither the LGA nor its associated bodies made any charitable donations over £2,000 or any political donations or incurred any political expenditure during the year.

Dividends

The LGA Constitution and the articles of the companies that the LGA controls directly do not permit the payment of dividends.

Mark Lloyd
Chief Executive

REPORT OF THE CHAIRMAN OF THE LEADERSHIP BOARD**Year ended 31 March 2016****Business Review**

Over the last two years, the LGA's Leadership Board has undertaken significant work to develop the medium term financial strategy of the LGA and its associated organisations. As part of this, it has supported the development of a commercial strategy for the LGA which is now being implemented. Following an options appraisal of Layden House - in which the LGA has the freehold – work is underway on the refurbishment of the property with a view to increasing its rental and capital value. The Leadership Board has also reviewed the strategy for managing the pension costs of the LGA and the IDeA, in view of the additional contributions to reduce deficits which currently exceed more than £4 million annually. The Leadership Board has regularly monitored the LGA's financial performance against the agreed budget.

The Leadership Board has taken the decision to maintain membership subscriptions at the same level between 2013/14 and 2015/16, following a real terms reduction in subscription income of over 44 per cent over the last six years in response to the financial challenges faced by member authorities.

The Leadership Board has overseen the LGA's approach to Treasury Management and concluded that the LGA should continue to be cautious in its investment strategy. Substantial use has been made of the Public Sector Deposit Fund, a qualifying money market fund operated by CCLA Investment Management Ltd. No losses arose on treasury activities.

Governance

The Leadership Board oversees management of the LGA's financial and other resources, and the financial and accommodation strategies for the wider group.

The Leadership Board has considered these accounts in the light of a report from the LGA Audit Committee, chaired by Cllr Jonathan Owen, whose membership is independent of the LGA's other Boards and Panels.

Lord Porter of Spalding CBE

LGA Chairman and Chairman of the LGA Leadership Board

MEMBERSHIP OF THE LEADERSHIP BOARD

The members of the Leadership Board for the year were:

Conservative

Lord Porter of Spalding CBE [Chair]	Appointed 30 June 2015
David Hodge [Vice-chair]	Appointed 30 June 2015
David Simmonds CBE [Deputy-chair]	Appointed 30 June 2015
Peter Fleming OBE [Deputy-chair]	Appointed 30 June 2015
Sean Anstee [Deputy-chair]	Appointed 30 June 2015
Phillipa Roe [Deputy-chair]	
Neil Clarke [Deputy Chair]	Resigned 29 June 2015
Mike Jones [Deputy Chair]	Resigned 29 June 2015

Labour

Nick Forbes [Vice-chair]	Appointed 8 February 2016
Anne Western [Deputy-chair]	Appointed 30 June 2015
Sue Murphy CBE [Deputy-chair]	Appointed 24 February 2016
Sharon Taylor OBE [Deputy-chair]	
Mayor Sir Steve Bullock [Deputy-chair]	
Keith Wakefield [Deputy-chair]	
Jim McMahon OBE [Vice-chair]	Resigned 4 December 2015
David Sparks OBE [Chair]	Resigned 29 June 2015

Liberal Democrat

Gerald Vernon-Jackson [Vice-chair]
Mayor Dorothy Thornhill MBE [Deputy-chair]

Independent

Marianne Overton MBE [Vice-chair]
Peter Reeve [Deputy-chair]

STATEMENT OF LEADERSHIP BOARD'S RESPONSIBILITIES**Year ended 31 March 2016**

The Leadership Board of the Local Government Association (LGA) has accepted responsibility for the preparation of these financial statements for the year ended 31 March 2016. The Leadership Board has decided to prepare these financial statements in accordance with UK Generally Accepted Accounting Practice.

In preparing these financial statements, the Leadership Board has:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis as they believe that to be appropriate, having regard to the LGA's business, state of affairs and constitution.

The Leadership Board has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LGA and to prevent and detect fraud and other irregularities.

Provision of information to Auditor

In the case of each of the persons who are members of the Leadership Board at the time when the financial statements are approved, the following applies:

- so far as the members of the Leadership Board are aware, there is no relevant audit information of which the entity's auditor is unaware, and
- the members of the Leadership Board have taken all the steps that they ought to have taken under their Terms of Reference in order to make themselves aware of any relevant audit information and to establish that the entity's auditor is aware of that information.

Auditors

A tendering process is in progress in relation to the appointment of the role of Statutory Auditor. A resolution for the appointment of the auditors of the Company is to be proposed at a forthcoming Board Meeting.

Approved by the Leadership Board and signed on their behalf

8th June 2016

Lord Porter of Spalding CBE

Chair of the LGA Leadership Board

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE LOCAL GOVERNMENT ASSOCIATION
Year ended 31 March 2016**

We have audited the financial statements of the Local Government Association (LGA) for the year ended 31 March 2016 which comprise the Consolidated and Association Statements of Comprehensive Income, Balance Sheets, Statements of Cash Flows and Statements of Changes in Equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is as set out within Note 1 to these financial statements.

This report is made solely to the Members, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Members those matters we have been engaged to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Leadership Board and auditors

As explained more fully in the Statement of the Leadership Board's Responsibilities set out on page 16, the Members of the Leadership Board are responsible for the preparation of the financial statements and for being satisfied that they have been properly prepared. Our responsibility is to audit, and express an opinion on, the financial statements in accordance our contract dated 22 January 2016, with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the LGA's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

LOCAL GOVERNMENT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOCAL
GOVERNMENT ASSOCIATION
Year ended 31 March 2016

Agenda Item 6a

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the Group's and Association's affairs as at 31 March 2016 and of the Group's and Associations surplus for the year then ended; and
- have been properly prepared in accordance with the basis of preparation and accounting policies set out in Note 1 to the accounts

In our opinion the information given in the Report of the Leadership Board for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Paul Hopper
Senior Statutory Auditor

For and on behalf of
PKF Littlejohn LLP (formerly Littlejohn LLP)

PKF Littlejohn LLP
Statutory auditors
1 Westferry Circus
Canary Wharf
London
E14 4HD

Date:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2016

	Note	2016 £000	2015 £000
Income: Group and share of joint ventures' income		62,012	64,865
Less share of joint ventures' income		(8,419)	(8,090)
Group Income	2	53,593	56,775
Administrative expenses		(55,120)	(52,430)
GROUP OPERATING SURPLUS BEFORE INTEREST	4	(1,527)	4,345
Interest receivable and similar income		237	136
Interest payable		(186)	(441)
Contract restructuring costs		-	(236)
Share of operating surplus/(deficit) of joint ventures		1,660	1,787
Dividend and profits share from Joint Ventures	9	1,750	1,786
Finance discounts allowed	5	(526)	(533)
Share of joint ventures distribution to members		(1,771)	(1,816)
Unrealised gain on revaluation in respect of investment property		3,523	5,675
GROUP OPERATING SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		3,160	10,703
Other Comprehensive Income:			
Actuarial gain/(loss) recognised in respect of the pension fund		19,924	(33,084)
Actuarial gains – West Sussex to Merseyside transfer		-	9,995
GROUP TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR		23,084	(12,386)

The accounting policies and notes in pages 26 to 51 form part of these financial statements.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME**Year ended 31 March 2016**

	Note	2016 £000	2015 £000
Income	2	24,039	25,515
Administrative expenses		(24,655)	(24,537)
OPERATING (DEFICIT)/SURPLUS BEFORE INTEREST	4	(616)	978
Interest receivable and similar income		158	163
Contract restructuring costs		-	(236)
Finance discounts allowed	5	(526)	(534)
Dividend and profits share from Joint Ventures	9	-	361
OPERATING (DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR		(984)	732
Other Comprehensive Income:			
Actuarial gain/(loss) recognised in respect of the pension fund	16	4,107	(5,894)
TOTAL COMPREHENSIVE INCOME FOR THIS YEAR		3,123	(5,162)

All amounts relate to continuing operations.

The accounting policies and notes in pages 26 to 51 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 March 2016	Note	2016 £000	2015 £000
FIXED ASSETS			
Tangible assets	7	15,707	14,889
Investment Properties	7	30,006	25,518
Intellectual Copyright Assets		1	1
Investments - MBA	10	500	500
Investments in Joint Ventures:			
Share of gross assets of joint ventures	9	6,838	6,784
Share of gross liabilities of joint ventures	9	(3,098)	(2,922)
		<u>49,954</u>	<u>44,770</u>
CURRENT ASSETS			
Debtors	12	5,840	8,146
Short term Investments	13	17,272	16,320
Cash at bank and in hand		2,642	2,686
		<u>25,754</u>	<u>27,152</u>
CREDITORS: amounts falling due within one year	14	(9,123)	(9,297)
		<u>16,631</u>	<u>17,855</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>66,585</u>	<u>62,625</u>
CREDITORS: amounts falling due after more than one year	14	(14,581)	(15,438)
PROVISIONS FOR LIABILITIES			
Provision for contract restructuring		-	(236)
Provision for organisation restructuring	15	(468)	(680)
Pension Fund deficit	16	(94,751)	(112,860)
		<u>(43,215)</u>	<u>(66,589)</u>
NET LIABILITIES			
ACCUMULATED FUNDS			
General Reserve		28,264	28,309
Revaluation Reserve		21,485	17,962
Risk & Contingency Reserve		1,787	
Pension Deficits Reserve			
- Pension Fund Assets		224,054	226,675
- less Defined Liabilities		(318,805)	(339,535)
		<u>(43,215)</u>	<u>(66,589)</u>

These financial statements were approved by the LGA Leadership Board on 8th June 2016 and signed on their behalf by

Lord Porter of Spalding CBE

The accounting policies and notes in pages 26 to 51 form part of these financial statements.

ASSOCIATION BALANCE SHEET**For the year ended 31 March 2016**

	Note	2016 £000	2015 £000
FIXED ASSETS			
ICT Assets	7	439	-
Investments	10	1,500	1,800
LONG TERM DEBTORS	11	120	220
CURRENT ASSETS			
Debtors	12	8,009	6,685
Short term Investments	13	645	1,885
Cash at bank and in hand		53	718
		<u>8,707</u>	<u>9,288</u>
CREDITORS: amounts falling due within one year	14	(2,224)	(2,498)
NET CURRENT ASSETS		<u>6,483</u>	<u>6,790</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,542</u>	<u>8,810</u>
CREDITORS: amounts falling due after more than one year	14	(768)	(1,090)
PROVISIONS FOR LIABILITIES			
Provision for Contract restructuring	19	-	(236)
Provision for Organisation restructuring	15	(22)	(393)
Pension Fund deficit		(35,042)	(37,504)
NET LIABILITIES		<u>(27,290)</u>	<u>(30,413)</u>
ACCUMULATED FUNDS			
General Reserve		7,091	7,091
Risk & Contingency Reserve		661	-
Pension Deficits Reserve			
- Pension Fund Assets		103,136	105,881
- less Defined Liabilities		(138,178)	(143,385)
		<u>(27,290)</u>	<u>(30,413)</u>

These financial statements were approved by the LGA Leadership Board on 8th June 2016 and signed on their behalf by

Lord Porter of Spalding CBE

The accounting policies and notes in pages 26 to 51 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31

March 2016

	Risk & Contingency Reserve	Revaluation Reserve	Pensions Deficit Reserve	Retained Earnings	Total
Balance at 1 April 2014	-	12,287	(91,937)	25,642	(54,008)
Changes in equity for 2014/15					
Income for the year	-	-	-	10,703	10,703
Pensions Adjustments in Statement of Consolidated income	-	-	2,166	(2,166)	-
Actuarial gains/loss on defined benefit plans	-	-	(23,089)	-	(23,089)
Unrealised gain on revaluation in respect of investment property	-	5,675	-	(5,675)	-
Movement on Joint Venture Reserves	-	-	-	(195)	(195)
Total comprehensive income for the year	-	5,675	(20,923)-	2,667	(12,581)
Balance as at 31 March 2015	-	17,962	(112,860)	28,309	(66,589)
Balance at 1 April 2015	-	17,962	(112,860)	28,309	(66,589)
Changes in equity for 2015/16					
Income for the year	-	-	-	3,160	3,160
Pensions Adjustments in Statement of Consolidated income	-	-	(1,815)	1,815	-
Actuarial gains on defined benefit plans	-	-	19,924	-	19,924
Unrealised gain on revaluation in respect of investment property	-	3,523	-	(3,523)	-
Movement on Joint Venture Reserves	-	-	-	290	290
Total comprehensive income for the year	-	3,523	18,109	1,742	23,374
Transfer to Risk and Contingency reserve (LGA and IDEA only)	1,787			(1,787)	
Balance as at 31 March 2016	1,787	21,485	(94,751)	28,264	(43,215)

ASSOCIATION STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Risk & Contingency Reserve	Pensions Deficit Reserve	Retained Earnings	Total
Balance at 1st April 2014	-	(33,759)	8,508	(25,251)
Changes in equity for 2014/15				
Operating Surplus for the year		-	732	732
Pension adjustment included in Operating Surplus for the year		2,149	(2,149)	-
Actuarial gains/loss on defined benefit plans		(5,894)	-	(5,894)
Total comprehensive income for the year	-	(3,745)	(1,417)	(5,162)
Balance as at 31st March 2015		(37,504)	7,091	(30,413)
Balance at 1st April 2015	-	(37,504)	7,091	(30,413)
Changes in equity for 2015/16				
Operating Deficit for the year	-	-	(984)	(984)
Pension adjustment included in Operating Surplus / Deficit for the year	-	(1,645)	1,645	-
Actuarial gains on defined benefit plans	-	4,107	-	4,107
Total comprehensive income for the year	-	2,462	661	3,123
Transfer to Risk and Contingency reserve	661		(661)	
Balance as at 31st March 2016	661	(35,042)	7,091	(27,290)

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended 31 March 2016**

	2016 £000	2015 £000
Net cash outflow from operating activities		
Surplus/(Deficit)	3,160	10,703
Adjustments for:		
FRS17 Pension adjustments	1,815	(2,166)
Investment and dividend Income	(1,987)	(1,922)
Revaluation gains on Investment Properties	(3,523)	(5,675)
Joint Venture Non Cash Adjustments	111	29
Finance discounts for former members of AMA	526	533
Interest expense	186	441
Depreciation	600	359
Reversal of Impairment on Local Partnerships Investment	-	(200)
Decrease/(increase) in debtors	2,306	(3,439)
(Decrease)/increase in creditors	(173)	1,306
(Decrease)/Increase in provisions	(448)	916
(Decrease)/Increase in creditors due after one year	(857)	(918)
Cash generated from operations	<u>1,716</u>	<u>(33)</u>
Interest paid	(186)	(441)
Net cash generated from operating activities	<u>1,530</u>	<u>(474)</u>
Cash flow from investing activities		
Interest received	237	136
Repayment of Loan Capital from Local Partnerships	300	-
Payment to acquire investment in the Local Capital Finance Company	-	(500)
Investment in redevelopment of Property, Plant and Equipment	(1,418)	-
Investment in redevelopment of Investment Properties	(966)	-
Distribution from Joint Venture	1,750	1,786
	<u>(97)</u>	<u>1,422</u>
Cash flow from financing activities		
Finance discounts for former members of AMA	(526)	(533)
	<u>(526)</u>	<u>(533)</u>
 Net (Decrease)/ Increase in cash	 907	 415
Cash and cash equivalents at the start of the year	19,006	18,591
Cash and cash equivalents at the end of the year	<u>19,913</u>	<u>19,006</u>

The accounting policies and notes in pages 26 to 51 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**As at 31 March 2016****1. ACCOUNTING POLICIES**

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 £94.7 million as at 31 March 2016 £35.0 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 FRS102.

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 2016. 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.

**NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016****1. ACCOUNTING POLICIES (Continued)****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 FRS102.

- 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 3rd 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".

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016**1. ACCOUNTING POLICIES (Continued)****Investments**

For the Group, investments in Joint Ventures are the interests in Local Partnerships LLP, Geoplace LLP and LGA Digital Services Limited. Note 9 provides the details of their formations and results.

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

Financial Instruments – Loans, Swaps and hedging

External loans and swap liabilities are stated at fair value, with in year movements in value recognised in the Statement of Comprehensive income.

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.

Revenue Recognition**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 yearend 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.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016

(ii) LGPS Pension costs:

**NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016****1. ACCOUNTING POLICIES (Continued)**

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 Risk and 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.

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 are included in the income and expenditure account as pension scheme adjustments. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. 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.

Status of the Association

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

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016

2. INCOME

CONSOLIDATED	2016 £000	2015 £000
Group		
Subscriptions	9,947	9,987
Conferences and seminars	2,429	1,635
Government Grants	34,264	36,680
Shared Services – external to group	468	995
Other income	6,485	7,478
	<hr/> 53,593	<hr/> 56,775
Joint Ventures	8,419	8,090
	<hr/> 62,012	<hr/> 64,865
	<hr/>	<hr/>
ASSOCIATION	2016 £000	2015 £000
Subscriptions	9,947	10,001
Conferences and seminars	2,112	1,300
Shared Services	6,206	6,404
Other income	5,774	7,810
	<hr/> 24,039	<hr/> 25,515
	<hr/>	<hr/>

The Association operates Shared Services arrangements under which the companies it controls, and certain other entities, are recharged for the costs of accommodation and various other business services, some of which are provided under a contract between the Association and Liberata Ltd.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016

3. STAFF INFORMATION

	CONSOLIDATED		ASSOCIATION	
	2016	2015	2016	2015
Average number of persons employed	322	306	160	136
Staff costs	£000	£000	£000	£000
Wages and salaries	17,880	17,303	9,000	8,152
Social security costs	1,679	1,634	801	727
Pension costs – employer payments	2,229	2,185	699	620
Pension costs – employer deficit payments	3,330	6,198	362	3,327
Pension costs – current service costs less contributions	147	(5,504)	147	(3,039)
<u>Less</u> income from secondments	(1,196)	(1,202)	(665)	(672)
	24,069	20,614	10,344	9,115
Staff related costs				
Agency, freelance and secondment costs	1,397	1,090	620	368
Redundancy costs & provision	1,171	894	804	542
Travel, subsistence and staff expenses	1,318	1,170	755	474
Recruitment costs	150	79	102	15
Training costs	63	106	34	61
Other personnel costs	46	52	40	31
	4,145	3,391	2,355	1,491
Total staff costs	28,214	24,005	12,699	10,606

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

3. STAFF INFORMATION (continued)

Details of the remuneration of senior staff are given below. No bonuses were paid in either year.

	2016		2015	
	Salary	Employer pension contribution	Salary	Employer pension contribution
	£	£	£	£
Senior staff employed by the Association and associated organisations				
Carolyn Downs – Chief Executive	68,532	6,785	171,629	16,991
Mark Lloyd – Chief Executive	83,750	8,291	-	-
Stephen Hughes - Executive Director	53,028	-	14,606	-
Sarah Pickup – Deputy Chief Executive	93,333	9,240	-	-
Michael Lockwood- Executive Director of Finance and Policy	-	-	128,847	-
Michael Coughlin - Executive Director	-	-	68,813	12,324
Other senior staff				
Andrew Webster – Associate Director of Health	92,900	16,443	142,178	25,165

Current Employees

Mark Lloyd was appointed Chief Executive with effect from 1 November 2015

Sarah Pickup was appointed Deputy Chief Executive with effect from 1 September 2015

Ex - Employees

Carolyn Downs served as Chief Executive with effect from 21 November 2011 to 21 August 2015

Stephen Hughes served as Executive Director with effect from 9 February 2015 to 30 September 2015

Michael Lockwood served as Executive Director of Finance and Policy with effect from 1 March 2014 to 28 February 2015.

Michael Coughlin served as Executive Director with effect from 1 May 2012 to 28 September 2014.

Andrew Webster served as Associate Director of Health with effect from 1 April 2013 to 22 November 2015; this post was funded by government grant.

Further details of the remuneration of named senior staff who were members of the senior management teams of companies controlled by the Association are disclosed in the financial statements of the respective companies.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

3. STAFF INFORMATION (continued)

The numbers of other staff who received remuneration of £50,000 or more are stated in the table below. Remuneration excludes employer pension contributions but includes redundancy and all taxable benefits paid to or receivable by the employee. The 2016 figures include 6 staff (2015:6 staff) seconded to other organisations, of which 2 were employed by the Association.

CONSOLIDATED	2016	2016	2015	2015
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	10	9	13	13
£55,000 - £59,999	15	23	19	19
£60,000 - £64,999	14	25	26	26
£65,000 - £69,999	30	10	13	13
£70,000 - £74,999	29	26	24	24
£75,000 - £79,999	3	4	5	5
£80,000 - £84,999	8	6	5	5
£85,000 - £89,999	1	2	2	2
£90,000 - £94,999	6	2	1	1
£95,000 - £99,999	6	8	10	10
£100,000 - £104,999	4	3	2	1
£105,000 - £109,999	-	-	-	-
£110,000 - £114,999	1	2	1	1
£115,000 - £119,999	4	3	3	3
£125,000 to £129,999	-	-	1	-
£135,000 to £139,999	1	1	-	-

ASSOCIATION	2016	2016	2015	2015
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	6	5	8	9
£55,000 - £59,999	9	7	3	3
£60,000 - £64,999	1	1	2	2
£65,000 - £69,999	11	10	13	13
£70,000 - £74,999	14	13	11	11
£75,000 - £79,999	2	2	3	3
£80,000 - £84,999	5	4	3	3
£85,000 - £89,999	-	-	1	1
£90,000 - £94,999	1	1	-	-
£95,000 - £99,999	2	1	3	3
£100,000 - £104,999	1	1	1	-
£105,000 - £109,999	2	2	-	-
£110,000 - £114,999	1	1	-	-
£115,000 - £119,999	1	1	1	1

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

4. OPERATING SURPLUS

	CONSOLIDATED		ASSOCIATION	
	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015
	£000	£000	£000	£000
Operating surplus is after charging:				
Depreciation and amortisation	599	389	220	-
Auditor's remuneration				
- audit fee	38	43	15	19

No fees were paid to the external auditor, PKF Littlejohn LLP, for non audit services in the year.

5. FINANCE DISCOUNTS

Under an agreement dated 22 January 1998 made between Association of Metropolitan Authorities (Properties) Ltd, Local Government Association (Properties) Ltd and the Association, the AMA property company contributed the net sale proceeds of its former property in Great Smith Street to the purchase of Local Government House by Local Government Association (Properties) Ltd. In recognition of this, authorities in membership of the LGA that were formerly members of the Association of Metropolitan Authorities receive a discount on their membership subscriptions. The discount increases every five years in line with inflation. Originally at the rate of £6,000 per authority, the discount was increased to £7,965 with effect from 1 April 2012.

6. TAXATION

The Association and the companies it controls are exempt from tax on their income and gains by virtue of their status as Local Authority Associations under Section 838(2) of the Income Tax Act 2007 and Section 984(2) of the Corporation Tax Act 2010. They are exempt from capital gains tax under Section 271(3) of the Taxation of Chargeable Gains Act 1992.

7. FIXED ASSETS

Group Assets

The property from which the Association operates, Local Government House, Smith Square, London SW1 is owned by Local Government Association (Properties) Ltd, a related company. The Association pays rent to that company for its accommodation. The other trading companies that the Association controls operate from the same property. In addition related parties occupy parts of the accommodation on short term leases.

As a result of the introduction FRS102 89% of Local Government House cost and depreciation will be accounted for as Tangible Fixed Assets in the Group figures for the Financial Years 2014/15 and 2015/16 to reflect the area of the building utilised by the group.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

TANGIBLE FIXED ASSETS

CONSOLIDATED	Freehold Land and Buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 April 2015	17,718	1,900	19,618
Additions	758	659	1,417
At 31 March 2016	18,476	2,559	21,035
Depreciation			
At 1 April 2015	3,602	1,127	4,729
Charge for year	253	346	599
At 31 March 2016	3,855	1,473	5,328
Net book value			
At 31 March 2016	14,621	1,086	15,707
At 31 March 2015	14,116	773	14,889

Association Assets

The Association purchased ICT equipment in 2015-16, previously provided under the shared service contract with Liberata. This new procured assets formed part of the new ICT contract with LGA Digital Services Limited a jointly owned company with Brent Council.

ASSOCIATION	ICT equipment £000	Total £000
Cost		
At 1 April 2015	-	-
Additions	659	659
At 31 March 2016	659	659
Depreciation		
At 1 April 2015	-	-
Charge for year	220	220
At 31 March 2016	220	220
Net book value		
At 31 March 2016	439	439
At 31 March 2015	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

8. INVESTMENT PROPERTIES

CONSOLIDATED	2016 £000	2015 £000
Brought forward valuation	25,518	7,556
Capital Expenditure	966	-
Unrealised gain on revaluation	3,523	17,962
Carried forward valuation	30,007	25,518

Until May 2011, the Improvement & Development Agency for Local Government operated from Layden House, Farringdon, London EC1, a building owned by Local Government Management Board. Layden House was occupied during 2015-16 by unrelated third parties who were granted short term leases on normal commercial terms. These leases have now come to an end, with the property vacated to allow for the redevelopment to commence in 2016-17.

As a result of the requirements of FRS102, in the Group Accounts 11% of Local Government House valuation 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 3rd parties.

The freehold land and buildings Layden House and Local Government Houses, were valued at open market value on a commercial rental use basis. The valuations were performed as at 31 March 2016 by an independent professional valuer, Farebrother Chartered Surveyors.

9. INVESTMENTS IN JOINT VENTURES - GROUP

LOCAL PARTNERSHIPS LLP

Balance Sheet	31 March 2016 £000	31 March 2015 £000
Current Assets	5,246	5,410
Share of gross assets	5,246	5,410
Liabilities due within one year or less	(596)	(722)
Other	(1,350)	(1,350)
Loans and other Debts due to members	(200)	(500)
Share of gross liabilities	(2,146)	(2,572)
Share of net assets	3,100	2,838

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

The operating results for Local Partnerships LLP are shown below:

Profit and Loss Summary	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Revenue	9,086	10,230
Operating costs	(8,545)	(9,101)
Interest Receivable	21	26
Operating profit	562	1,155
Share of operating profit	281	577

The Association formed a joint venture, Local Partnerships LLP, with Partnerships UK plc in July 2009. The joint venture took over part of the business of Public Private Partnerships Programme Ltd, then a related company of the Association. In November 2009 Partnerships UK transferred part of its own business to Local Partnerships LLP. The Association's investment in Local Partnerships LLP originally consisted of Equity of £500,000 and £500,000 of 6% Convertible Loan Stock, repayable at par on 31 March 2029. An identical investment was made by Partnerships UK plc.

In May 2010, the Association approved a further investment of £300,000 Equity and £300,000 of 6% Convertible Loan Stock repayable at par on 31 March 2029. This investment was drawn down in June 2010 with Partnerships UK plc again making an identical investment.

On 1 August 2010, Partnerships UK plc transferred the whole of its interest in Local Partnerships LLP to HM Treasury. In December 2010 the Association and HM Treasury approved additional investment of £375,000 each in the form of 6% Convertible Loan Stock.

In the Financial Year 2014/15 Local Partnerships LLP paid a dividend of £361,000 to each party. In 2015/16 Local Partnerships LLP repaid £300,000 of the 6% Convertible Loan Stock each to the Association and HM Treasury.

GEOPLACE LLP

Balance Sheet	31 March 2016 £000	31 March 2015 £000
Fixed Assets	14	27
Intangible Assets	88	459
Current Assets	907	888
Share of gross assets	1,009	1,374
Liabilities due within one year or less	(369)	(351)
Share of gross liabilities	(369)	(351)
Share of net assets	640	1,023

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

The operating results for GeoPlace LLP are shown below:

Profit and Loss Summary	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Revenue	13,173	11,900
Operating costs	(7,659)	(7,065)
Interest Receivable and Payable	-	6
Operating profit	<u>5,514</u>	<u>4,841</u>
Share of operating profit	<u>1,379</u>	<u>1,210</u>

Under an agreement dated 17 November 2010, the Secretary of State for Communities & Local Government, acting through Ordnance Survey, entered into an agreement (the LLP Members' Agreement) with Improvement and Development Agency for Local Government (IDeA) and the Local Government Association, for the formation of a new joint venture, the limited liability partnership GeoPlace LLP. The purpose of the LLP is to create, manage and, through separate licensing arrangements with Ordnance Survey, commercially exploit a single definitive National Address Gazetteer. Ordnance Survey and IDeA each contributed £1 by way of equity capital. Immediately prior to completion of the joint venture agreement, which took place on 31 March 2012, IDeA and Ordnance Survey made loans to GeoPlace LLP of £1.500 million and £4.773 million respectively. These loans have now been repaid. The distributable profits of GeoPlace LLP are allocated 25% to IDeA and 75% to Ordnance Survey.

GeoPlace LLP commenced trading on 1 April 2011 and has traded profitably in the years to 31 March 2016.

LGA DIGITAL SERVICES

Balance Sheet	31 March 2016 £000
Fixed Assets	-
Intangible Assets	-
Current Assets	583
Share of gross assets	<u>583</u>
Liabilities due within one year or less	(583)
Share of gross liabilities	<u>(583)</u>
Share of net assets	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

The operating results for LGA Digital Services are shown below:

Profit and Loss Summary	Year ended 31 March 2016 £000
Revenue	1,165
Operating costs	(1,165)
Operating profit	0
Share of operating profit	0

In July 2015 a new Joint Venture Company limited by guarantee with the London Borough of Brent was created is to provide ICT Services to the LGA or the London Borough of Brent. The company has been set up to provide common services to both shareholders within the objective of minimising costs to the shareholders rather than marketing external activity and delivering commercial returns to either of the parties. The LGA service agreement was signed on the 29th January 2016.

10. INVESTMENTS

LGA Group - IDEA

Investment in UK Municipal Bonds Agency PLC (MBA)	Total £000
Year ended 31 March 2016	
Opening balance	500
Invested in year	-
Closing value	500

LGA

	Equity £000	Debt £000	Total £000
Investment in Local Partnerships LLP			
Year ended 31 March 2015			
Opening balance	600	500	1,100
Repaid in year	200	-	200
Closing value	800	500	1,300
Year ended 31 March 2016			
Opening balance	800	500	1,300
Reversal of impairment in year		(300)	(300)
Closing value	800	200	1,000

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

Investment in LGA Digital Services Limited

The LGA investment in LGA Digital Services Limited is a 50% shareholding reflecting a £1 ordinary shareholding matched by the London Borough of Brent.

11. LONG TERM DEBTORS - ASSOCIATION

In July 2010 a loan agreement was created with the Local Government Association (Properties) Ltd of £820,000 to manage its debt commitments. The loan is repayable in bi-annual instalments of £50,000 over a period of 8 years with a final repayment of £70,000 on 31 March 2018. This loan bears interest at 5% p.a.

12. DEBTORS

	CONSOLIDATED		ASSOCIATION	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade debtors	3,780	5,650	1,010	849
Due from related entities	625	625	1,793	1,656
Loan due from LGA (Properties)	-	-	1,600	1,600
Loan due from Local Government Management Board	-	-	2,500	1,500
Other debtors	339	147	605	176
Prepayments and accrued income	1,096	1,724	501	904
	5,840	8,146	8,009	6,685

13. SHORT TERM INVESTMENTS

Surplus cash balances held by the Association, the companies it controls and related parties are pooled and lent to financial institutions on the Association's approved counterparty list. Investments are typically for periods not exceeding twelve months and as such the loan amount is a reasonable assessment of fair value. The counterparty list is currently restricted to financial institutions that meet agreed credit ratings criteria and subject to the cash limits (per counterparty) as shown in the Associations Investment Strategy. The Association's Investment Strategy strictly applies credit limits for all financial institutions on the approved counterparty list to ensure that investments are diversified. No credit limits were exceeded during the year and the Association does not expect any losses on short term investments

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

14. CREDITORS

	CONSOLIDATED		ASSOCIATION	
	2016	2015	2016	2015
	£000	£000	£000	£000
Amounts falling due within one year				
Accounts payable and accruals	4,093	3,586	746	1,374
Income received in advance	3,402	3,752	453	203
Other creditors	1,628	1,959	859	742
Owed to related entities	-	-	166	179
	9,123	9,297	2,224	2,498
Amounts falling due beyond one year				
1 to 2 Years	918	918	270	218
2 to 5 years	2,214	2,214	498	654
More than 5 years	11,449	9,730	-	218
	14,581	12,862	768	1,090

In 2011/12 the Association received a distribution of £2,707,612 from the liquidation of A.D.C. Trustees Ltd, the company that had held the property and assets for the Association of District Councils. The Leadership Board of the Association has determined that funds from this distribution should be applied, to provide support of £217,945 p.a. for ten years to the District Councils Network, a special interest group of the Association; secondly to provide a new additional discount from 1 April 2013 at a rate of 1.5% on the subscriptions of non-metropolitan unitary authorities. The current rate of support has been increased to £270,000p.a., with creditors payable after more than one year including an amount of £767,670 representing the final four instalments of the support due for the District Councils Network.

Included within the consolidated amounts falling due beyond one year are the following loans to LGA Properties:

	2016	2015
	£000	£000
Bank loans	4,160	4,860
Loan from ACC (Properties) Limited	2,000	2,000
Loan from AMA (Properties) Limited	6,200	6,200
Barclays Swap Liability	1,131	1,288
	13,491	14,348

The new inclusion in the above table for Barclays Swap Liability is a requirement of FRS102 to include a value on the balance sheet for the additional Swap agreement liability as at the 31st of March that would be payable if the loan was repaid. The £157,000 gain as a result of this liability reducing has been credited to the Statement of Consolidated Income. The Bank Loans and the Barclays Swap Liability are secured against Local Government House party valued as a Property asset in note 7 at £14.6m and partly as Investment Property Asset at £4.2m.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

The loans from ACC (Properties) Ltd and AMA (Properties) Ltd are only repayable in the event of the sale of Local Government House. There is no intention to dispose of the property in the foreseeable future. The loan from ACC (Properties) Ltd bears compound interest at 1.5% above the base rate with payment conditional upon the disposal of the property. The accumulated interest to date on the loan is £2,693 million.

Under an agreement dated 22 January 1998 made between Association of Metropolitan Authorities (Properties) Ltd, Local Government Association (Properties) Ltd and the Association, the AMA property. The Company contributed the net sale proceeds of its former property in Great Smith Street to the purchase of Local Government House by Local Government Association (Properties) Ltd. In recognition of this, authorities in membership of the Local Government Association that were formerly members of the Association of Metropolitan Authorities receive a discount on their membership subscriptions. The discount, originally at the rate of £6,000 per authority, currently stands at £7,965 and increases every five years in line with inflation.

15. PROVISION FOR ORGANISATION RESTRUCTURING

	CONSOLIDATED		ASSOCIATION	
	2016	2015	2016	2015
	£000	£000	£000	£000
Balance at 1 April	680	-	393	-
Arising during year	468	680	22	393
Utilised during year	(680)	-	(393)	-
Balance at 31 March	468	680	22	393

The provision for the year to 31 March 2016 relates entirely to redundancy costs. The LGA provision has been set up to cover the further cost of voluntary redundancies which have been agreed with members of staff.

16. PENSION COMMITMENTS

The Local Government Association and companies under the Association's control are admitted bodies to two local government pension funds: the Merseyside Pension Fund, administered by Wirral Metropolitan Borough Council; and the London Borough of Camden Pension Fund. These funds are administered in accordance with the Local Government Pension Scheme Regulations 1997. Details of the calculation of the deficit relating to each fund are given below.

In addition, the Association and its predecessor bodies have incurred pension liabilities that are outside the funded benefits provided by the relevant pension schemes. These other unfunded liabilities were estimated by an actuary at 31 March 2016 as £1,652 million (2015 £1.812million). The unfunded liabilities are being paid annually over the remaining lives of the pensioners concerned.

The most recent formal actuarial reviews in relation to the funds were at 31 March 2013. The actuarial assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The assumptions made by the actuaries (Mercer Ltd (M) for the Merseyside fund and Hymans Robertson (HR) for the Camden funds) are stated below.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

17. PENSION COMMITMENTS (CONTINUED)

Investment returns

The investment returns on the funds used in calculating the year end assets were in the range 0.9% to 1.2% (2015, 10.0% to 12.37%).

Major categories of plan assets as a percentage of total plan assets were in the ranges

	31 March 2016	31 March 2015
Equities	51.8% to 75.0%	53.9% to 78.0%
Bonds (HR)	13.0%	12.0%
Government Bonds (M)	4.6%	14.8%
Other Bonds (M)	11.3%	2.6%
Property	8.9% to 11.0%	9.0% to 10.8%
Cash	1.0% to 3.4%	1.0% to 3.0%
Other (M)	20.0%	14.9%

a) Actuarial assumptions

Full actuarial valuations were carried out at 31 March 2013 and updated to 31 March 2016 by qualified independent actuaries. The next Triennial valuation will be as at 31 March 2016.

The range of assumptions used by the actuaries was:

	31 March 2016 % per annum	31 March 2015 % per annum
Pension increase rate	2.0% to 2.2%	2.0% to 2.4%
Salary increase rate	3.5% to 4.2%	3.5% to 4.30%
Discount rate	3.4% to 3.5%	3.1% to 3.2%
Inflation assumption	2.0% to 2.2%	2.0% to 2.4%

Mortality Rates*	31 March 2016 Years	31 March 2015 Years
Current Pensioners – Male	22 to 22.5	22 to 22.4
Current Pensioners – Female	24.4 to 25.4	24.4 to 25.3
Future Pensioners – Male	24.3 to 24.9	24.3 to 24.8
Future Pensioners – Female	26.8 to 28.2	26.8 to 28.0

*Mortality rate is the assumption of the life expectancy of a current pensioner aged 65 or of a future pensioner (now aged 45) in 20 years time.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016

17. PENSION COMMITMENTS (CONTINUED)

b) Scheme assets

The deficit in the schemes and the range of expected rates of return were:

	Fair value at 31 March 2016 £000	Fair value at 31 March 2015 £000
Fair value of employer assets		
Equities	53,425	151,291
Bonds (HR)	0	14,495
Government Bonds (M)	4,744	15,670
Other Bonds (M)	11,654	2,753
Property	9,179	22,306
Cash	3,507	4,384
Other (M)	20,627	15,776
Total Market Value of Assets	103,136	226,675

The above asset values are at bid value as required under FRS17.

Balance sheet	31 March 2016 £000	31 March 2015 £000
Fair value of employer assets	224,054	226,675
Present value of funded liabilities	(305,238)	(324,734)
Net underfunding in funded plans	(81,184)	(98,059)
Present value of unfunded liabilities	(13,567)	(14,801)
Net liability	(94,751)	(112,860)

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016

17. PENSION COMMITMENTS (CONTINUED)

Recognition in the statement of Comprehensive Income	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Current service cost	(1,073)	2,907
Interest cost	8,402	12,539
Expected return on employer assets	(9,603)	(12,573)
Administration expenses	35	-
Past service cost	-	-
Losses on curtailments and settlements	234	16
Total	(2,005)	2,889
Actual return on plan assets	632	18,796
Reconciliation of defined benefit obligation	2016 £000	2015 £000
Opening defined benefit obligation	339,535	294,067
Current service cost	3,983	2,907
Interest cost	10,779	12,539
Contribution by members	1,376	1,347
Actuarial (gains)/losses	(28,026)	42,688
Actuarial gains - West Sussex to Merseyside transfer	-	(5,961)
Past service costs	88	-
Losses on curtailments	322	16
Estimated unfunded benefits paid	(600)	(433)
Estimated benefits paid	(8,652)	(7,635)
Closing defined benefit obligation	318,805	339,535

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

17. PENSION COMMITMENTS (CONTINUED)

Reconciliation of fair value of employer assets	2016 £000	2015 £000
Opening fair value of employer assets	226,675	202,130
Expected return on assets	7,226	12,573
Contributions by members	1,376	1,347
Contributions by the employer	5,566	8,002
Contributions in respect of unfunded benefits	600	433
Administrative Expenses	(35)	-
Actuarial (losses)/gains	(8,102)	6,224
Actuarial gains - West Sussex to Merseyside transfer	-	4,034
Unfunded Benefits paid	(434)	(621)
Benefits paid	(8,818)	(7,447)
Closing fair value of employer assets	224,054	226,675

Amounts for the current and previous accounting periods

	2016 £000	2015 £000	2014 £000	2013 £000	2012 £000
Fair value of employer assets	224,054	226,675	202,130	168,408	165,366
Present value of defined benefit obligation	(318,805)	(339,535)	(294,067)	(235,382)	(226,223)
Deficit	(94,751)	(112,860)	(91,937)	(66,974)	(60,857)
Experience gains/(losses) on assets	(8,102)	6,224	977	(5,119)	(4,226)
Experience gains/(losses) on liabilities	-	1,451	(13,075)	4,777	25,415

The total of employer pension contributions estimated to be payable in 2016-17 is £5.281million (£1.187 million of which relates to the Association).

17. CONTINGENT LIABILITIES

LGA Properties has a loan from ACC (Properties) Ltd that bears compound interest at 1.5% above the base rate, with payment conditional on the disposal of the property. The accumulated interest to date on the loan is £2.693 million.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016**18. RELATED ENTITIES**

The Association exercises control of the following entities, all companies limited by guarantee, by virtue of rights to appoint members of the company and all or a majority of the Board of Directors of the company:

Improvement & Development Agency for Local Government

Local Government Management Board

Local Government Association (Properties) Ltd

The IDEA has a provision in its Memorandum of Association stating that, in the event of dissolution of the company, any surplus of assets over liabilities is to be transferred to the Local Government Association or some other local authority association having similar objects. The provisions relating to Local Government Management Board are that any surplus arising on winding up is to be transferred to the Local Government Association. The provisions relating to Local Government Association (Properties) Ltd are that any surplus arising on winding up is to be distributed to local authorities in equal shares.

The Association is a 50% owner (£1 ordinary share) of LGA Digital Services.

The Association is a member of Local Partnerships LLP, a limited liability partnership. The other member of Local Partnerships LLP is HM Treasury. The members share profits and losses equally.

Improvement & Development Agency for Local Government is a member of GeoPlace LLP, a limited liability partnership. The other member of GeoPlace LLP is Ordnance Survey. Both members have equal rights as regards the operation of the LLP and appointments to its Board of Directors, but Improvement & Development Agency for Local Government takes a 25% share of profits and losses, with the balance going to Ordnance Survey

19. EXCEPTIONAL ITEM

During 2015-16 there were no exceptional items to report.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016

20. PRIOR YEAR RESTATEMENT - TRANSITION TO FRS102
LGA Group and LGA only 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.

		GROUP	LGA
SURPLUS FOR THE FINANCIAL YEAR	note	2015	2015
		£000	£000
UK GAAP – As previously reported		8,381	2,134
Defined benefit pension scheme	A	(3,380)	(1,402)
Reduced Depreciation – in year	B	31	
Revaluation of property	C	4,500	
Gain on revaluation of property	C	1,225	
In year Adjustment for Barclays Swap Liability	E	(54)	
Total adjustment to profit for the financial year		2,322	(1,402)
FRS 102 Surplus		10,703	732
OTHER COMPREHENSIVE INCOME		2015	2015
		£000	£000
UK GAAP – As previously reported		(13,638)	(5,162)
(Adjustment to surplus as above)		2,322	(1,402)
Defined benefit pension scheme adjustment	A	3,380	1,402
Revaluation of property	C	(4,500)	-
Total adjustment to profit for the financial year		1,202	0
FRS 102 (Deficit)		(12,436)	(5,162)

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2016

Accumulated Funds		GROUP 31 March 2015 £000	LGA 31 March 2015 £000
UK GAAP – As previously reported		(66,608)	(30,239)
Add back historic buildings depreciation to the General Reserve opening balance	B	436	
Depreciation Adjustment - in year operating Surplus	B	30	
Property Gain added to Revaluation Reserve	C	1,225	
Holiday Pay Accrual	D	(384)	(174)
Historic Adjustment for Barclays Swap Liability	E	(1,233)	
In year Adjustment for Barclays Swap Liability	E	(55)	
FRS 102		(66,589)	(30,413)

NB the 1 April opening balances for accumulated funds were also adjusted for the Holiday pay accrual and historic buildings depreciation adjustments shown in the table above.

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 move £3.380 million of the pension adjustments reducing the operating surplus, with an offsetting adjustment in other comprehensive income by an equivalent amount.

B Depreciation adjustments

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

C – Property gain

Under FRS102 100 the LGH 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 the property 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.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2016**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 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 (£384,000 Group) liability charged to the General Reserves at the start of the accounting period.

E - Barclays Swap Liability

FRS102 requires the revaluation of the Barclays Loan liabilities to include a value on the balance sheet for the additional Swap agreement liability as at the 31st of March that would be payable if the loan was repaid at that date.

21. POST BALANCE SHEET EVENTS

The Leadership Board is not aware of any other material post balance sheet events.

22. CONTROLLING ENTITY

The controlling entity of the Local Government Association is the LGA Leadership Board and the registered office is Local Government House, Smith Square, London, SW1P 3HZ.

**IMPROVEMENT AND DEVELOPMENT AGENCY
FOR LOCAL GOVERNMENT**
(a UK Registered company limited by guarantee)
Company Registration No. 3675577

Report and Financial Statements
for the Year ended 31 March 2016

Agenda Item 6b

**IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)**

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Agenda Item 6b

**IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)**

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Cllr David Simmonds (Chairman)	(appointed 13 August 2015)
Cllr Peter Fleming	(resigned 27 July 2015)
Sir Stephen Bullock	(appointed 4 January 2016)
Richard Priestman	
Philip Sellwood	
Cllr Marianne Overton	
Cllr Gary Porter	
Cllr David Sparks	(resigned 1 July 2015)
Cllr David Hodge	(appointment 13 August 2015)
Cllr Gerald Vernon Jackson	
Cllr James McMahon	(resigned 15 December 2015)

SECRETARY

Dennis Skinner

REGISTERED OFFICE

Local Government House
Smith Square
London
SW1P 3HZ

BANKERS

Barclays
UK Banking
1 Churchill Place
London
E14 5HP

STATUTORY AUDITOR

PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London
E14 4HD

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the Year ended 31 March 2016.

Principal activities

The Improvement and Development Agency for Local Government (IDeA) supports improvement and innovation in local government, helping councils take responsibility for their own performance and improvement.

As local government's improvement agency, IDeA provides core services which focus on helping councils work with and learn from each other. The main ways we provide improvement support are through:

- a programme of peer challenges, ensuring we have high quality peers on board, particularly leaders and chief executives
- support to individual councils and groups of councils, especially councils with the most severe performance challenges
- leadership development programmes to councillors and managers
- programmes which support councils in improving their productivity and efficiency
- web-based services so councils can learn from each other and share information on efficiency and innovation.

A year in focus

Over the last few years, local government has had to deal with a greater reduction in funding than any other part of the public sector. Councils have worked hard to shield residents from the impact of funding cuts but efficiencies cannot be re-made.

Our improvement work has been widely used by councils, helping to share innovation and best practice across local government. The IDeA plays a critical role in ensuring the performance of councils, addressing those at risk of underperformance, driving improvement across the sector, supporting councils through significant changes, and supporting strong local leadership. This approach, helping to co-ordinate improvement work on behalf of councils, has enabled them to deliver millions of pounds of savings.

Our approach is based on four key principles:

- councils are responsible for their own performance
- councils are primarily accountable to their local communities
- stronger local accountability and increased transparency drive improvement
- councils have collective responsibility for the performance of local government as a whole.

DIRECTORS' REPORT

Over the last year, the IDeA has supported local authorities by:

- delivering 102 peer challenges
- providing tailored support to 181 different councils and two fire and rescue services
- supporting 57 councils to help them improve their communications activity with residents
- providing councils localised data through our LG Inform system, helping them to better understand their local communities and providing them with data to help better plan services
- providing support to 24 councils across 15 projects with total projected savings of £32.7m through the Productivity Experts Programme
- holding leadership training for 764 councillors

Looking ahead

Our improvement offer to councils will keep spreading good practice. We will continue to work with councils and Government to develop our offer and to secure the funding necessary to underpin our extensive programme of support to councils.

Cllr David Simmonds

8 June 2016

STRATEGIC REPORT

Principal Activities

The IDeA is wholly owned by the Local Government Association and was incorporated on 27 November 1998. The Company commenced trading on 1 April 1999, taking over some of the trading activities of the Local Government Management Board.

During 2016 the LGA continued to streamline its merged its operations with those of its associated organisations – the Improvement and Development Agency (IDeA), its two property companies Local Government Management Board (LGMB) and LGA (Properties) Ltd, all three of which are subsidiaries of the LGA. In 2016 the Local Government Information House (LGIH) was merged into the IDeA.

The shared objective of the LGA, the IDeA and the LGA's other associated organisations is to make an outstanding contribution to the success of local government as the national voice of local government working with and on behalf of the LGA's member authorities to support, promote and improve local government.

In year performance

This has been a successful year for the IDeA with significant progress on all the priorities agreed by the IDeA Board. These priorities were firmly based on the most important issues for local government. In deciding these, we looked at intelligence from councils, a great many of whom are actively involved in the LGA through representatives on our boards and panels, at issues emerging from government or already going through the legislative process, and at the economic and social challenges that impact on local authorities.

We have delivered a satisfactory financial outcome in 2015-16. Our income from RSG top-slice and other income including grants has reduced by 8% as compared with the previous year, and we kept costs down at the same time as continuing to deliver on our key priorities and deliver direct support to councils. The IDeA continued to make a significant payment towards its pension fund deficit.

Future Developments

As with many other parts of the public sector, we face a number of financial challenges and are taking steps to ensure that we develop new sources of income as well as continuing to reduce our costs. Our future success will rely heavily on our delivering ever greater value to local government at a time when councils themselves are facing significant reductions in their own funding and are, more than ever, questioning the value of every item of expenditure.

Principal risks and uncertainties

Our arrangements for risk management include the regular review of a strategic risk register with clear responsibilities assigned to named senior officers for the management of the principal risks. These included ensuring that we deliver on our objectives and have impact for councils, ensuring we have effective governance arrangements and financial sustainability, and ensuring we maintain employee capacity and capability. We have also put in place clear governance and project management arrangements for projects designated as being high risk from a financial or operational point view.

Our operations expose us to a variety of financial risks that include ensuring that the funds held by us are, first and foremost, secure; second, that adequate liquidity is maintained so that sufficient funds are always available to meet current liabilities; and third that the best return on investment is obtained subject to achievement of the first two objectives.

STRATEGIC REPORT

The principal liability of the IDeA other than those arising in ordinary day to day business relates to the pension deficit. The valuation of the IDeA's pension deficit was £59.709 million at 31 March 2016, a reduction of £15.647 million from last year. In order to pay off the pension deficit and liabilities for past employees, we are currently making additional contributions of 2.5 million per annum (increasing yearly by 0.4%). Actuarial advice indicates that on reasonable long term assumptions, these contributions will be sufficient to eliminate the deficit over a period of 15 years. The LGA's Leadership Board has commissioned further work to investigate ways in which the management of the pension deficit including the IDeA's pension deficit can be improved and has agreed to the refurbishment of Layden House from 2016 as part of this strategy.

Price risk

We have relatively low exposure to price risk. Our employee costs are controlled through formal annual negotiations with employee representatives. Our back office services are now mainly delivered in house, with ICT services delivered through jointly owned company with Brent Council, by Brent ICT team. Other services are procured from a range of external providers through competitive tendering arrangements in line with our formal procurement procedures.

Credit risk

We have a debt management policy and clear credit control procedures which include regular review and follow-up of our trade debtors.

Liquidity risk

Our agreed approach is to manage our revenue budget so as to deliver a balanced budget that does not require a net call on cash for the financial year as a whole. We maintain an adequate level of day to day liquid funds to pay liabilities promptly as they fall due.

Cash flow risk

We have both interest-bearing assets and liabilities. Subject to our liquidity requirements, which are assessed on a weekly basis, surplus funds are deposited in accordance with the Approved Investment Strategy as agreed by the LGA's Leadership Board.

Key performance indicators

We have reviewed the impact of our work and the delivery of our priorities through robust performance management which has included regular reports to the IDeA Board. In addition we have reviewed our own efficiency and effectiveness through a number of key indicators.

In December 2014 we carried out a survey of our members which gave us important information about customer satisfaction with 74 per cent of members indicating that they were satisfied with our services. We have set ourselves the target of increasing member satisfaction and also their perceptions of the value for money we offer and we will monitor our progress with this through annual surveys. We also regularly review employee satisfaction through an annual survey with 77 per cent of employees indicating that they are satisfied with their job – an increase on the previous year. We have taken action to improve employee satisfaction and engagement in the light of the feedback we received.

We review our financial sustainability by carefully controlling our staff costs. Following a reduction in our core grant funding, over the last two years employee numbers have fallen from 170 employees in the year ended March 2015 to 162 employees in the Year ended 31 March 2016. We continue to monitor employee absence, which has risen from an average annual number of sick days per employee of 2.6 days in March 2015 to 4.2 days in March 2016.

We continue to pay close attention to the collection of outstanding debt. The percentage of debtors over 12 months was 1 per cent of the total debtors at March 2016.

STRATEGIC REPORT

Environment

We have agreed an environmental policy which includes the commitment to:

- continually reduce waste and increase our recycling rate
- reduce paper use
- ensure that procurement of goods and services adheres to our green purchasing and procurement policy
- champion and mainstream consideration of environmental sustainability throughout our outward facing work programmes and services
- comply with all applicable legislation, regulation and with other relevant requirements relating to our environmental impacts.

Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 20-22.

Consultation with employees and their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests. Communication with all employees continues through direct briefing and regular use of our intranet.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with us continues and that appropriate support and training is arranged. It is our policy that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

Political and charitable contributions

The IDeA has not made any charitable donations over £2,000 or any political donations or incurred any political expenditure during the year.

Post Balance Sheet Events

As part of the process of streamlining its governance arrangements, the Directors of the IDeA have agreed to the transfer of the assets and liabilities of LGIH to the IDeA in 2015/16.

Dividends

The articles of the IDeA do not permit the payment of a dividend.

Directors

The names of the directors who served throughout the year and since the year end are set out on page 2.

Provision of Information to Auditors

In the case of each of the persons who are directors at the time when the directors' report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that they Company's auditors are aware of that information.

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**IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)**

STRATEGIC REPORT

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

A tendering process is in progress in relation to the appointment of the role of Statutory Auditor. A resolution for the appointment of the auditors of the Company is to be proposed at a forthcoming Board Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Cllr David Simmonds

8 June 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
Year ended 31 March 2016**

The directors are responsible for preparing the Strategic report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE IMPROVEMENT AND DEVELOPMENT AGENCY FOR
LOCAL GOVERNMENT**

We have audited the Financial Statements of Improvement and Development Agency for Local Government Limited for the Year ended 31 March 2016 which comprise of the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flow, the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the Strategic report and the Directors report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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**IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE IMPROVEMENT AND DEVELOPMENT AGENCY FOR
LOCAL GOVERNMENT**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Hopper
Senior Statutory Auditor

For and on behalf of
PKF Littlejohn LLP

PKF Littlejohn LLP
Statutory auditors
1 Westferry Circus
Canary Wharf
London
E14 4HD

Date:

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IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2016

	Note	2016 £000	2015 £000
Income	2	38,230	41,498
Administrative expenses		(39,097)	(38,911)
OPERATING SURPLUS	5	<u>(867)</u>	<u>2,587</u>
Share of joint venture's distribution to members	7	1,750	1,425
Interest receivable and similar income		73	81
SURPLUS FOR THE YEAR		<u>956</u>	<u>4,093</u>
Other Comprehensive Income			
Actuarial gain(loss) recognised in respect of the pension fund		15,817	(17,195)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6	<u>16,773</u>	<u>(13,102)</u>

All amounts relate to continuing operations

The accounting policies and notes on pages 15 to 27 form part of these financial statements.

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IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
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BALANCE SHEET
As at 31 March 2016

Company Registration No. 3675577

	Note	2016 £000	2015 £000
INTANGIBLE ASSETS			
Intellectual Copyright Assets		1	1
CURRENT ASSETS			
Debtors	8	3,672	6,673
Short term Investments	9	17,989	12,580
Cash at bank and in hand		392	1,846
		<u>22,053</u>	<u>21,099</u>
CREDITORS: amounts falling due within one year	10	(6,982)	(7,312)
NET CURRENT ASSETS		<u>15,071</u>	<u>13,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,072</u>	<u>13,788</u>
CREDITORS: amounts falling due after more than one year	11, 17	(42)	(44)
PROVISIONS FOR LIABILITIES			
Pension fund deficit	14	(59,709)	(75,356)
Restructuring Provision	13	(446)	(286)
		<u>(60,155)</u>	<u>(75,642)</u>
TOTAL NET LIABILITIES		<u>(45,125)</u>	<u>(61,898)</u>
ACCUMULATED FUNDS	Error! Reference source not found.		
General Reserve		13,458	13,458
Risk and Contingency reserve		1,126	-
Pension deficit reserve			
- Pensions Fund Assets		120,918	120,794
- less Defined Liabilities		(180,627)	(196,150)
		<u>(45,125)</u>	<u>(61,898)</u>

These financial statements were approved by the Board of Directors on 8 June 2016

Signed on behalf of the Board of Directors

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**IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)**

Cllr David Simmonds

The accounting policies and notes on pages 15 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2016

	Risk & Contingency Reserve	Pensions Deficit Reserve	Retained Earnings	Total
Balance at 1 April 2014	-	(58,178)	9,382	(48,796)
Changes in equity for 2014/15				
Surplus for the year	-	-	4,093	4,093
Pensions Adjustments in Statement of Consolidated income		17	(17)	-
Actuarial gains/loss on defined benefit plans	-	(17,195)	-	(17,195)
Total comprehensive income for the year	-	(17,178)	4,076	(13,102)
Balance as at 31 March 2015	-	(75,356)	13,458	(61,898)
Balance at 1 April 2015	-	(75,356)	13,458	(61,898)
Changes in equity for 2015/16				
Surplus for the year	-	-	956	956
Pensions Adjustments in Statement of Consolidated income		(170)	170	-
Actuarial gains/loss on defined benefit plans	-	15,817	-	15,817
Total comprehensive income for the year	-	15,647	1,126	16,773
Transfer to Risk and Contingency reserve	1,126		(1,126)	
Balance as at 31 March 2016	1,126	(59,709)	13,458	(45,125)

STATEMENT OF CASH FLOWS
Year ended 31 March 2016

	Note	2016 £000	2015 £000
Net cash inflow from operating activities			
Surplus		956	4,093
Adjustments for:			
Investment and dividend income		(1,822)	(1,506)
FRS17 Service Costs		170	(17)
Decrease/(increase) in debtors		3,002	(3,862)
Increase in creditors		(331)	1,050
Increase in provisions		159	286
Decrease in creditors due after one year		(2)	(2)
Net cash generated from operating activities		<u>2,132</u>	<u>(4,051)</u>
Cash flow from investing activities			
Interest received		73	81
Distribution from Joint Venture		1,750	1,425
		<u>1,823</u>	<u>1,506</u>
Net (Decrease)/ Increase in cash		<u>3,955</u>	<u>1,548</u>
Cash and cash equivalents at the start of the year		<u>14,426</u>	<u>12,878</u>
Cash and cash equivalents at the end of the year		<u><u>18,381</u></u>	<u><u>14,426</u></u>

The accounting policies and notes on pages 15 to 27 form part of these financial statements.

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

1. ACCOUNTING POLICIES

The financial statements are prepared for the first time in accordance with applicable United Kingdom accounting standards, specifically Financial Reporting Standard FRS102. 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 £59.709 million as at 31 March 2016. 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.

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.

Revenue Recognition

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.

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IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT

(a company limited by guarantee)

NOTES TO THE ACCOUNTS

Year ended 31 March 2016

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.

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.

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 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 Risk and 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

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IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

2. INCOME

	2016 £000	2015 £000
Government grants	34,350	36,551
Subscriptions	1,000	1,038
Services recharged	2,257	2,917
Other income	623	992
	38,230	41,498

From 1 April 2011, the Company became the sole specified body entitled to receive Revenue Support Grant (RSG) from the Department for Communities and Local Government. This arrangement replaced earlier arrangements under which certain other bodies were also entitled to RSG in their own right. Of the £23.382 million RSG received in 2015-16 (£25.980 million 2014-15), £5.132 million (£7.118 million) was paid to those other bodies under arrangements agreed as part of the Business Plan for the Local Government Association and its related bodies.

3. DIRECTORS' EMOLUMENTS

The directors received emoluments during the year in respect of their services to the Company as follows.

	2016 £000	2015 £000
Total emoluments	10	10
Emolument of the chairman and highest paid director	1	1

No director is an active member of the pension scheme (2015: nil), nor did any director receive assets or money under any long term incentive scheme.

Directors for all group companies have been included in the LGA payroll since 1 April 2013, the emoluments above relate to the ring-fenced Pensions activity.

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IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

4. STAFF INFORMATION

Staff information for the Company is as follows:

	2016	2015
	No.	No.
Average number of persons employed		
Administration	162	170
	<hr/>	<hr/>
	£000	£000
Staff costs during the year		
Wages and salaries	8,880	9,151
Social security costs	878	907
Pension costs – cash payable by employer	1,530	1,565
Pension deficit payments	2,968	2,871
Pension costs – current service costs less contributions	(2,295)	(2,465)
<u>Less</u> income from secondments	(531)	(530)
	<hr/>	<hr/>
	11,430	11,499
	<hr/>	<hr/>
Staff Related Costs		
Agency, freelance and secondment costs	777	722
Redundancy payments and provision	400	352
Travel, subsistence and staff expenses	563	696
Recruitment costs	48	64
Training costs	29	45
Other personnel costs	6	21
	<hr/>	<hr/>
	1,823	1,900
	<hr/>	<hr/>
Total	<hr/>	<hr/>
	13,253	13,399
	<hr/>	<hr/>

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IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

4. STAFF INFORMATION (CONTINUED)

Details of the remuneration of the Company's senior staff are given below.

	2016		2015	
	Salary	Employer Pension Contribution	Salary	Employer Pension Contribution
Michael Coughlin - Executive Director	-	-	68,813	12,324
Andrew Webster – Associate Director of Health	92,900	16,443	142,178	25,154

Michael Coughlin served as Executive Director with effect from 1 May 2012 to 28 September 2014.

Andrew Webster served as Associate Director of Health until 22 November 2015.

The above position titles are internal job titles. The individuals concerned are/were not directors of the Company within the meaning of the Companies Act 2006.

The numbers of the Company's other staff receiving remuneration of £50,000 or more were as follows:

	2016	2016	2015	2015
	Salaries + Redundancy Costs	Salaries Only	Salaries + Redundancy Costs	Salaries Only
£50,000 - £54,999	4	3	5	4
£55,000 - £59,999	6	6	16	16
£60,000 - £64,999	13	13	24	24
£65,000 - £69,999	19	18	-	-
£70,000 - £74,999	15	15	13	13
£75,000 - £79,999	1	1	2	2
£80,000 - £84,999	3	3	2	2
£85,000 - £89,999	-	-	1	1
£90,000 - £94,999	4	4	1	1
£95,000 - £99,999	5	5	7	7
£100,000 - £104,999	2	1	1	1
£105,000 - £109,999	-	-	-	-
£110,000 - £114,999	-	-	1	1
£115,000 - £119,999	3	3	2	2
£125,000 - £129,999	1	1	1	1

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IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT (a company limited by guarantee)

NOTES TO THE ACCOUNTS Year ended 31 March 2016

5. OPERATING SURPLUS

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Operating surplus/(deficit) is after charging:		
Auditors' remuneration		
- audit fee	15	26
	<hr/>	<hr/>

No fees were paid to the external auditors, PKF Littlejohn LLP, for non audit services in the year.

6. TAXATION

The Improvement and Development Agency for Local Government is exempt from tax on its income and gains by virtue of its status as a Local Authority Association under Section 519(3) of the Taxes Act 1988. It is exempt from capital gains tax under Section 271(3) of the Taxation of Chargeable Gains Act 1992.

7. INVESTMENTS

Local Government Information House

The Company owns two ordinary shares of £1 in its subsidiary the Local Government Information House Ltd (LGIH).

Geoplace LLP

Under an agreement dated 17 November 2010, the Secretary of State for Communities & Local Government, acting through Ordnance Survey, entered into an agreement (the LLP Members' Agreement) with Improvement and Development Agency for Local Government (IDeA) and the Local Government Association, for the formation of a new joint venture, the limited liability partnership GeoPlace LLP. Ordnance Survey and IDeA each contributed £1 by way of equity capital. The distributable profits of GeoPlace LLP are allocated 25% to IDeA and 75% to Ordnance Survey. GeoPlace LLP commenced trading on 1 April 2011 and has traded profitably in the years to 31 March 2016. The company received a dividend of £1.750m in 2015/16.

Public Sector Audit Appointments Ltd

The company is a wholly owned subsidiary and in normal circumstances would be consolidated. The board has approved that the above IDEA does not to consolidate PSAA's numbers into its accounts for the following reasons:

- 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 / IDEA.
- 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.
- To enable the LGA/IDEA statements to show a true and fair view, in particular adding an expected £82m to both income and expenditure, which would give the impression that the group and IDEA are much larger organisations than they really are.

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

8. DEBTORS

	2016 £000	2015 £000
Trade debtors	2,477	4,756
Due from related entities	133	919
Other debtors	63	200
Prepayments and accrued income	999	798
	3,672	6,673

9. SHORT TERM INVESTMENTS

Surplus cash balances held by the Company, the companies it controls and related parties are pooled and lent to financial institutions on the Company's approved counterparty list. Investments are typically for periods not exceeding twelve months and as such the loan amount is a reasonable assessment of fair value. The counterparty list is currently restricted to financial institutions that meet agreed credit ratings criteria and subject to the cash limits (per counterparty) as shown in the Company's Investment Strategy. The Company's Investment Strategy strictly applies credit limits for all financial institutions on the approved counterparty list to ensure that investments are diversified. No credit limits were exceeded during the year and the Company does not expect any losses on short term investments.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors and accruals	2,577	1,982
Income received in advance	2,894	3,255
Other Creditors	737	601
Owed to related entities	774	1,474
	6,982	7,312

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £000	2015 £000
Deferred Income	42	44

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

12. NOTES TO THE STATEMENTS OF CASH FLOWS

Cash and Cash equivalents

	2016	2015
	£000	£000
Cash at bank and in hand	392	1,846
Short Term Investments	17,989	12,580
Balance at 31 March	<u>18,381</u>	<u>14,426</u>

13. PROVISIONS FOR LIABILITIES

	2016	2015
	£000	£000
Balance at 1 April	286	-
Arising during year	446	286
Utilised during year	(286)	-
Balance at 31 March	<u>446</u>	<u>286</u>

The provision for the year to 31 March 2016 relates entirely to redundancy costs and pension settlement. The LGA Group has undertaken further restructuring of its organisation in order to streamline its processes and deal with a significant reduction in funding. This provision has been set up to cover the further cost of voluntary redundancies which have been agreed with members of staff.

14. PENSION COMMITMENTS

Employees of the Improvement and Development Agency for Local Government may participate in the London Borough of Camden Pension fund, part of the Local Government Pension Scheme, a defined benefit statutory scheme. The fund is administered by the Borough Council in accordance with the Local Government Pension Scheme Regulations 1997.

The most recent formal actuarial reviews in relation to the funds were at 31 March 2013. The actuarial assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The assumptions made by the actuaries, Hymans Robertson for the Camden funds are stated below. The next Triennial valuation as at 31 March 2016 will take place during the Financial Year 2016-17.

Financial Reporting Standard 17 'Retirement Benefits'

The projected unit method of valuation was used to calculate the service costs in accordance with FRS 17.

Investment returns

The return on the Fund in market value terms for the year to 31 March 2015 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary.

Actual return for period from 1 April 2015 to 31 December 2015	(3.1%)
Estimated return for period from 1 April 2015 to 31 March 2016	(1.2%)

Agenda Item 6b

IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

14 - PENSION COMMITMENTS (CONTINUED)

Major categories of plan assets as a percentage of total plan assets

	At year end 31 March 2016	At year end 31 March 2015
	% p.a.	% p.a.
Equities	75%	78%
Bonds	13%	12%
Property	11%	9%
Cash	1%	1%

a) Actuarial assumptions

The assumptions used by the actuary were:

	At year end 31 March 2016	At year end 31 March 2015
	% p.a.	% p.a..
Inflation/pension increase rate	2.2%	2.40%
Salary increase rate	4.2%	4.30%
Discount rate	3.5%	3.20%
Expected return on assets		
Mortality Rates*	Years	Years
Current Pensioners – Male	22.0	22.0
Current Pensioners – Female	24.4	24.4
Future Pensioners – Male	24.3	24.3
Future Pensioners – Female	26.8	26.8

*Mortality rate is the assumption for the life expectancy of a current pensioner aged 65 or for a future pensioner (now aged 45) in 20 years time.

Balance sheet	31 March 2016	31 March 2015
	£000	£000
Fair value of employer assets	120,918	120,794
Present value of funded liabilities	(173,513)	(188,302)
Net underfunding in funded plans	(52,595)	(67,508)
Present value of unfunded liabilities	(7,114)	(7,848)
Net liability	(59,709)	(75,356)

Agenda Item 6h

IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

14 - PENSION COMMITMENTS (CONTINUED)

Recognition in the profit or loss

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Current service cost	(2,528)	1,943
Interest cost	3,891	7,129
Expected return on employer assets	(6,268)	(6,660)
Past service cost/(gain)	(88)	-
Total	(4,993)	2,412
Actual return on plan assets	Not provided	10,889
	2016 £000	2015 £000
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	196,150	166,170
Current service cost	2,528	1,943
Interest cost	6,268	7,129
Contribution by members	776	811
Actuarial losses/(gains)	(21,216)	23,404
Past service cost/(gains)	88	-
Estimated unfunded benefits paid	(434)	(433)
Estimated benefits paid	(3,533)	(2,874)
Closing defined benefit obligation	180,627	196,150
	2016 £000	2015 £000
Reconciliation of fair value of employer assets		
Opening fair value of employer assets	120,794	107,992
Expected return on assets	3,891	6,660
Contributions by members	776	811
Contributions by the employer	4,389	3,975
Contributions in respect of unfunded benefits	434	433
Actuarial gains/(losses)	(5,399)	4,230
Unfunded benefits paid	(434)	(433)
Benefits paid	(3,533)	(2,874)
Closing fair value of employer assets	120,918	120,794

Agenda Item 6b

IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

14 - PENSION COMMITMENTS (CONTINUED)

AMOUNTS FOR THE CURRENT AND PREVIOUS ACCOUNTING PERIODS

	Year to 31 March 2016 £000	Year to 31 March 2015 £000	Year to 31 March 2014 £000	Year to 31 March 2013 £000	Year to 31 March 2012 £000
Fair value of employer assets	120,918	120,794	107,992	105,995	92,789
Present value of defined benefit obligation	(180,627)	(196,150)	(166,170)	(144,969)	(126,976)
Surplus /(deficit)	(59,709)	(75,356)	(58,178)	(38,974)	(34,187)
Experience gains/(losses) on assets	(5,399)	4,230	7,925	(2,240)	(615)
Experience gains/(losses) on liabilities	-	1,451	140	5,816	13,469

The estimated employer's contributions for the year to 31 March 2016 is £4.094 million.

15. CONTROLLING ENTITY

The controlling entity is the Local Government Association and the registered office is Local Government House, Smith Square, London, SW1P 3HZ.

16. RELATED PARTIES

	Value of related party transactions in year 2016 exp / (inc) £000	Outstanding balance at 31 March 2016 dr / (cr) £000	Value of related party transactions in year 2015 exp / (inc) £000	Outstanding balance at 31 March 2015 dr / (cr) £000
Local Government Association (LGA)	7,814	(628)	10,400	(1,072)
Local Government Association Properties (LGAP)	794	15	1,278	373
Local Government Management Board (LGMB)	86	(29)	256	(73)
Local Partnerships	1,512	-	1,700	(142)
Public Sector Audit Appointments Limited (PSAA)	-	-	(366)	366
Geoplace LLP	(1,750)	-	(1,425)	-

All companies are controlled by the LGA entity. The transactions between these companies are a result of the shared service costs, property rental charges, RSG shared funding transfers and other day to day activity recharges.

Agenda Item 6b

IMPROVEMENT AND DEVELOPMENT AGENCY FOR LOCAL GOVERNMENT
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

17. 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.

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

A - 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 £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.

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.

18. Prior Year Restatement

During 2015-16 the Company received the transfer of the business, assets and liabilities of the Local Government Information House. In accordance with FRS6 the amalgamation has been accounted for using the merger method of accounting. The starting point for these adjustments is the Accounting statements for 2015-16.

	£000
Deficit for the year ended 31 March 2015 as previously stated	13,100
Adjustments arising from restatement	<u>2</u>
Restated deficit for the year ended 31 March 2015	<u>13,102</u>

	£000
Accumulated Funds at 31 March 2015 as previously stated	(62,064)
Adjustments arising from restatement	(211)
Adjustments arising from FRS102 (see note 17 above)	<u>377</u>
Restated Accumulated Funds as at 31 March 2015	<u>(61,898)</u>

**NOTES TO THE ACCOUNTS
Year ended 31 March 2016**

19. POST BALANCE SHEET EVENTS

The Board are not aware of any post balance sheet events other than those already stated.

20. CONTINGENT LIABILITIES

In 2006, the Company placed funds on deposit in an Escrow account to provide security for the performance by C-NLIS of its obligations to the London Borough of Camden pension scheme as an admitted body. The accounts for the Company show the whole of the £375,154 funds on deposit as an asset of the Company as at 31 March 2014 and 2015 but subject to a contingent liability in the event that it becomes necessary for a call on the guarantee to be made. There is no present indication that any such call will be made. We have agreed with Camden Pension Fund the option of the IDeA providing the pension fund guarantee without recourse to the escrow account. The balance of £375k will continue to be held as a provision on the IDeA balance sheet, but the cash balance will be returned to the IDEA in 2016/17 and incorporated into the IDeA's ordinary cash balances, earning interest as part of our broader treasury management arrangements.

THE LOCAL GOVERNMENT MANAGEMENT BOARD
(a UK Registered company limited by guarantee)
Company Registration No. 2553768

Report and Financial Statements

for the year ended 31 March 2016

REPORT AND FINANCIAL STATEMENTS 2016

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OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Councillor Ian Swithenbank CBE (Chairman)	
Councillor Philippa Roe	Appointed 3 September 2015
Councillor Adrian Naylor	Appointed 6 July 2015
Councillor David Neighbour	
Sarah Pickup - LGA, Deputy Chief Executive	Appointed 29 October 2015
Councillor Ken Thornber CBE	Resigned 12 August 2015
Councillor Jim Thornton	Resigned 13 May 2015
Carolyn Downs	Resigned 27 July 2015
Stephen Hughes	Appointed 24 July 2015, Resigned 30 September 2015

SECRETARY

Helen Platts	Resigned 31 May 2015
Claire Holloway	Appointed 26 May 2015

REGISTERED OFFICE

Local Government House
Smith Square
London
SW1P 3HZ

BANKERS

Barclays
UK Banking
1 Churchill Place
London
E14 5HP

STATUTORY AUDITORS

PKF Littlejohn LLP
1 West ferry Circus
Canary Wharf
London
E14 4HD

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 March 2016.

Principal activities

The Local Government Management Board is a company limited by guarantee. It owns property at Layden House, Turnmill Street, London EC1.

Business review

The Company's principal business is the rental of its property to third party tenants.

Future Developments

Following a detailed options appraisal, the board has agreed to the refurbishment of Layden House from 2016 in order to increase both the capital value of the building and its income base. The building is vacant of tenants as at 1 April 2016, in preparation for the redevelopment project due to commence in the summer / autumn of 2016.

Principal risks and uncertainties

The principal risk currently faced by the Company is that its income depends on the successful marketing of its property to good quality tenants. It is therefore exposed to fluctuations in the commercial property market.

The proposed refurbishment of Layden House is also subject to risks relating to the eventual marketability of the building and the costs of refurbishment. These risks will be closely managed through the continuous review of the viability of the refurbishment.

Employees

The company has no employees.

Political and charitable contributions

The Company made no political or charitable donations and incurred no political expenditure during the year.

Dividends

The articles of the Company do not permit the payment of a dividend.

DIRECTORS' REPORT

Provision of information to Auditors

In the case of each of the persons who are directors at the time when the directors' report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

PKF Littlejohn LLP has expressed its willingness to continue in office. A resolution proposing the reappointment of PKF Littlejohn LLP will be proposed at the next board meeting.

Status of this Directors' Report

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

Approved by the Board of Directors on 15th June 2016

Councillor Ian Swithenbank

Signed on behalf of the Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE LOCAL GOVERNMENT MANAGEMENT BOARD

We have audited the financial statements of the Local Government Management Board Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page **Error! Bookmark not defined.**, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Hopper (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

2016

1 Westferry Circus
Canary Wharf
London E14 4HD

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2016

	Note	2016 £000	2015 £000
Income	2	892	1,137
Administrative expenses		(974)	(1,133)
OPERATING (DEFICIT)/SURPLUS BEFORE INTEREST	5	(82)	4
Interest receivable		1	4
Interest payable	6	(45)	(53)
Gain on revaluation investment property	8	2,932	4,450
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	7	2,806	4,405

All amounts relate to continuing operations.

There was no Other Comprehensive Income received in either Financial Year.

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

Agenda Item 6c

THE LOCAL GOVERNMENT MANAGEMENT BOARD
(a company limited by guarantee)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

Company Registration No. 2553768

	Note	2016 £000	2015 £000
FIXED ASSETS			
Investment property	8	25,800	22,000
		<u>25,800</u>	<u>22,000</u>
CURRENT ASSETS			
Debtors	9	45	393
Short term investments	11	684	40
Cash at bank and in hand		10	52
		<u>739</u>	<u>485</u>
CREDITORS: amounts falling due within one year	12	(3,102)	(354)
NET CURRENT (LIABILITIES)/ASSETS		<u>(2,363)</u>	<u>131</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,437</u>	<u>22,131</u>
CREDITORS: amounts falling due after more than one year	13	-	(1,500)
TOTAL NET ASSETS		<u><u>23,437</u></u>	<u><u>20,631</u></u>
ACCUMULATED FUNDS			
General Reserve		3,768	3,894
Revaluation Reserve		19,669	16,737
		<u><u>23,437</u></u>	<u><u>20,631</u></u>

These financial statements were approved by the Board of Directors on 15th June 2016

Councillor Ian Swithenbank

Signed on behalf of the Board of Directors

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2016

	Retained Earnings £000	Revaluation Reserve £000	Total £000
Balance at 1st April 2014	3,939	12,287	16,226
Changes in equity for 2014/15			
Deficit for the year	(45)	-	(45)
Gain on revaluation of property	-	4,450	4,450
Total comprehensive income for the year	(45)	4,450	4,405
Balance as at 31st March 2015	3,894	16,737	20,631
Balance at 1st April 2015	3,894	16,737	20,631
Changes in equity for 2015/16			
Deficit for the year	(126)	-	(126)
Gain on revaluation of property	-	2,932	2,932
Total comprehensive income for the year	(126)	2,932	2,806
Balance as at 31st March 2016	3,768	19,669	23,437

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

STATEMENT OF CASHFLOWS
Year ended 31 March 2016

	Note	2016 £000	2015 £000
Cash flow from operating activities			
Operating Surplus		2,806	4,406
Adjustments for:			
Gain on revaluation of Property		(2,932)	(4,450)
Investment income		-	(4)
Interest expense		45	52
Decrease in Debtors		348	26
Increase/(decrease) in Creditors		247	(117)
Cash generated from operations		<u>514</u>	<u>(87)</u>
Interest Paid		(45)	(52)
Net cash generated/(used) from operating activities		<u>469</u>	<u>(139)</u>
 Cash flow from investing activities			
Repayment of Borrowings		1	4
Expenditure on LH Redevelopment		(868)	-
		<u>(867)</u>	<u>4</u>
 Cash flow from financing activities			
Borrowing from LGA		1,000	-
Repayments of borrowings		-	(300)
		<u>1,000</u>	<u>(300)</u>
 Net Increase/(Decrease) in cash		602	(435)
Cash and cash equivalents at start of the year		<u>92</u>	<u>527</u>
Cash and cash equivalents at the end of the year	10	<u>694</u>	<u>92</u>

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

NOTES TO THE ACCOUNTS
Year Ended 31 March 2016

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, specifically Financial Reporting Standard FRS102. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention modified by the revaluation of the investment property.

Income

Income represents the amount receivable as rents and services provided (excluding Value Added Tax), and is generated entirely in the UK.

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 Company's future income will be delivered from leases with good quality tenants, on a property that is located in Farringdon. The company plans during 2016 and 2017 to refurbish Layden House to coincide with the opening of Crossrail in 2018, with a view to more than doubling both its capital and rental value. The company have assessed that the income from the future leases will be sufficient to fund the full costs of the company's operations for the foreseeable future. This includes the necessary loan costs to fund the development period for the refurbishment works.

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 FRS102 the investment property will be revalued annually with the surplus or deficit transferred to the revaluation reserve.

Fair 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".

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 2016, no debts were written off as irrecoverable.

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.

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

2. INCOME

	2016	2015
	£000	£000
Rents received	<u>892</u>	<u>1,137</u>

The Company's turnover comprises rent on its freehold building receivable from new short term leases negotiated on an arm's length basis with third party tenants.

3. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments in respect of their services to the Company (2015: nil).

There were no retirement benefits accruing to the directors in respect of services to the Company (2015: nil), nor did any director receive assets or money under any long term incentive scheme.

4. STAFF INFORMATION

The Company had no employees during the current and preceding financial year.

5. OPERATING SURPLUS

	2016	2015
	£000	£000
Operating surplus is after charging:		
Auditors' remuneration		
- audit fee	<u>4</u>	<u>1</u>

6. INTEREST PAYABLE

	2016	2015
	£000	£000
Improvement and Development Agency loan	-	9
Local Government Association loan	<u>45</u>	<u>43</u>
	<u>45</u>	<u>52</u>

7. TAXATION

The Company has sought tax advice and our advisors have confirmed that as a result Layden House being treated as an investment asset, the Company is no longer exempt from tax on its revenue income and gains or capital gains. Discussions ongoing with HMRC to determine if there is any historic tax liability.

8. INVESTMENT PROPERTIES

	2016	2015
	£000	£000
Brought forward valuation	22,000	17,550
Unrealised gain on revaluation	2,932	4,450
Capitalised items	868	-
Carried forward valuation	<u>25,800</u>	<u>22,000</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

Layden House is an Investment Property being leased to third parties at a commercial rate on an arm's length basis. The capitalised items in the table above relate to fees and costs incurred in preparing to develop the property in 2016/17.

The freehold land and building, Layden House, was re-valued at its open market value on a commercial rental use basis. The valuation was performed as at 31 March 2016 by an independent professional valuer, Farebrother Chartered Surveyors.

9. DEBTORS

	2016 £000	2015 £000
Trade debtors	6	313
Due from related entities	29	73
Other debtors	4	-
Prepayments and accrued income	6	7
	<u>45</u>	<u>393</u>

10. CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash at bank and in hand	10	52
Short Term Investments	684	40
	<u>694</u>	<u>92</u>

11. SHORT TERM INVESTMENTS

Surplus cash balances held by the Company, the companies it controls and related parties are pooled and lent to financial institutions on the Company's approved counterparty list. Investments are typically for periods not exceeding twelve months and as such the loan amount is a reasonable assessment of fair value. The counterparty list is currently restricted to financial institutions that meet agreed credit ratings criteria and subject to the cash limits (per counterparty) as shown in the Company's Investment Strategy. The Company's Investment Strategy strictly applies credit limits for all financial institutions on the approved counterparty list to ensure that investments are diversified. No credit limits were exceeded during the year and the Company does not expect any losses on short term investments.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Local Government Association loan	2,500	-
Trade creditors and accruals	164	20
Income received in advance	4	233
Other creditors	69	92
Owed to related entities	365	9
	<u>3,102</u>	<u>354</u>

A loan agreement was created in March 2013 of £1,500,000 with the Local Government Association. The loan has been extended for full repayment in March 2017. In addition a new one year loan of £1,000,000 was put in place in March 2016, to cover cash flows until the internal and external development loans are put in place in 2016/17. The LGA loans bear interest at an interest rate of 2.5% p.a. over base rate.

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £000	2015 £000
Local Government Association loan	-	1,500
	<u>-</u>	<u>1,500</u>

14. CONTROLLING ENTITY

The controlling entity is the Local Government Association and the registered office is Local Government House, Smith Square, London, SW1P 3HZ.

15. RELATED PARTIES

The company had the following transactions with related parties:

	Value of related party transactions in year 2016 exp / (inc) £000	Outstanding balance at 31 March 2016 dr / (cr) £000	Value of related party transactions in year 2015 exp / (inc) £000	Outstanding balance at 31 March 2015 dr / (cr) £000
Local Government Association	371	(365)	669	(8)
Local Government Association - Loan	-	(2,500)	-	(1,500)
Improvement and Development Agency	(86)	29	44	73
Improvement and Development Agency - Loan	-	-	(300)	-

Improvement and Development Agency is a company controlled by the Local Government Association. The transactions with related parties are a result of the Company's property rental business and other day to day activity recharges.

16. POST BALANCE SHEET EVENTS

The directors are not aware of any material post balance sheet events.

NOTES TO THE ACCOUNTS
Year ended 31 March 2016

17. 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. There were no changes to 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.

OPERATING SURPLUS FOR THE FINANCIAL YEAR	2015
	£000
UK GAAP – As previously reported	(45)
Gain on revaluation of Property	4,450
Total adjustment to surplus for the financial year	<u>4,450</u>
FRS 102 – Total Comprehensive Income for the year	<u><u>4,405</u></u>

Local Government Association (Properties) Limited
(a UK Registered company limited by guarantee)
Company Registration No. 03487186

Report and Financial Statements
for the year ended 31 March 2016

REPORT AND FINANCIAL STATEMENTS 2016

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OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Councillor Ian Swithenbank CBE (Chairman)

Councillor Philippa Roe

Appointed 3 September 2015

Councillor Adrian Naylor

Appointed 6 July 2015

Councillor David Neighbour

Sarah Pickup LGA, Deputy Chief Executive

Appointed 29 October 2015

Councillor Ken Thornber CBE

Resigned 12 August 2015

Councillor Jim Thornton

Resigned 13 May 2015

Carolyn Downs

Resigned 27 July 2015

Stephen Hughes

Appointed 24 July 2015,

Resigned 30 September 2015

SECRETARY

Helen Platts

Resigned 31 May 2015

Claire Holloway

Appointed 26 May 2015

REGISTERED OFFICE

Local Government House
Smith Square
London
SW1P 3HZ

BANKERS

Barclays
UK Banking
1 Churchill Place
London
E14 5HP

STATUTORY AUDITOR

PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London
E14 4HD

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 March 2016.

Principal activities

Local Government Association (Properties) Ltd is a Company limited by guarantee. It owns property at Local Government House, Smith Square, London SW1 which is rented to the Local Government Association for the purposes of the Association's and its related entities' business and to third party tenants.

The Company is wholly owned by the Local Government Association.

Business review

The Company's principal business is the rental of the Local Government House property for use by entities controlled by the Local Government Association. Currently a small part of the property is rented to third parties.

Future Developments

The Company has decided to refurbish the property during 2017 with a view to creating better utilisation of the accommodation for LGA and IDEA as well as generating extra revenue through leasing 3 floors of the building to 3rd parties.

Principal risks and uncertainties

The principal risk faced by the Company is that its income is largely dependent on sources from within the Local Government Association group of entities. The planned development will reduce this risk. The Company is also managed within a wider business strategy appropriate for the group.

Employees

The Company has no employees.

Political and charitable contributions

The Company did not make any political or charitable donations and did not incur any political expenditure during the year.

Dividends

The articles of the Company do not permit the payment of a dividend.

Provision of information to Auditors

In the case of each of the persons who are directors at the time when the directors' report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

PKF Littlejohn LLP has expressed its willingness to continue in office. A resolution proposing the reappointment of PKF Littlejohn LLP will be proposed at the next board meeting.

Status of this Directors' Report

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

Approved by the Board of Directors on 15th June 2016

Local Government Association (Properties) Limited Agenda Item 6d
(a company limited by guarantee)

Councillor Ian Swithenbank
Signed on behalf of the Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCAL GOVERNMENT ASSOCIATION (PROPERTIES) LIMITED

We have audited the financial statements of Local Government Association (Properties) Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Hopper (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2016

	Note	2016 £000	Restated 2015 £000
Income	2	1,601	2,097
Administrative expenses		(1,204)	(1,141)
OPERATING SURPLUS BEFORE INTEREST	5	<u>397</u>	<u>956</u>
Interest receivable		6	7
Interest payable		(247)	(507)
Gain on revaluation of Property		4,293	8,089
OPERATING INCOME AFTER INTEREST	6	<u>4,449</u>	<u>8,545</u>

All amounts relate to continuing operations.

There was no Other Comprehensive Income received in either Financial Year.

The accounting policies and notes on pages 11 to 17 form part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £000	Restated 2015 £000
FIXED ASSETS			
Tangible assets	7	647	774
Investment Property	8	35,850	30,700
		<u>36,497</u>	<u>31,474</u>
CURRENT ASSETS			
Debtors	9	245	336
Short term Investments	11	131	1,815
Cash at bank and in hand		10	71
		<u>386</u>	<u>2,222</u>
CREDITORS: amounts falling due within one year	12	(3,226)	(2,032)
NET CURRENT ASSETS / (LIABILITIES)		<u>(2,840)</u>	<u>190</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>33,657</u>	<u>31,664</u>
CREDITORS: amounts falling due after more than one year	13	(13,611)	(16,068)
TOTAL NET ASSETS		<u>20,046</u>	<u>15,596</u>
ACCUMULATED FUNDS			
General Reserve		5,064	4,907
Revaluation Reserve		14,982	10,689
		<u>20,046</u>	<u>15,596</u>

These financial statements were approved by the Board of Directors on 15th June 2016

Councillor Ian Swithenbank

Signed on behalf of the Board of Directors

The accounting policies and notes on pages 11 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2016

	Retained Earnings £000	Revaluation Reserve £000	Total £000
Balance at 1st April 2014	4,451	8,089	12,540
Changes in equity for 2014/15			
Surplus for the year	456	-	456
Gain on revaluation of property	-	2,600	2,600
Total comprehensive income for the year	456	2,600	3,056
Balance as at 31st March 2015	4,907	10,689	15,596
Balance at 1st April 2015	4,907	10,689	15,596
Changes in equity for 2015/16			
Surplus for the year	157	0	157
Gain on revaluation of property	0	4,293	4,293
Total comprehensive income for the year	5,064	14,982	20,046
Balance as at 31st March 2016	5,064	14,982	20,046

STATEMENT OF CASH FLOWS
Year ended 31 March 2016

	Note	2016 £000	2015 £000
Cash flow from operating activities			
Operating Surplus		4,450	8,546
Adjustments for:			
Gain on revaluation of property		(4,293)	(8,089)
Investment income		(6)	(7)
Interest expense		247	507
Adjustment for Interest Rate Swap liability		(157)	55
Depreciation		127	127
Decrease in debtors		91	60
Increase/(decrease) in creditors		(305)	1,011
Cash generated from operations		<u>154</u>	<u>2,210</u>
Interest paid		(247)	(507)
Net cash (used)/generated from operating activities		<u>(93)</u>	<u>1,703</u>
Cash flow from investing activities			
Interest received		6	7
Expenditure on LGH Redevelopment		(857)	-
		<u>(851)</u>	<u>7</u>
Cash flow from financing activities			
Repayments of borrowings		(800)	(800)
		<u>(800)</u>	<u>(800)</u>
Net (Decrease)/Increase in cash		(1,745)	909
Cash and cash equivalents at start of the year		<u>1,886</u>	<u>977</u>
Cash and cash equivalents at the end of the year	10	<u>141</u>	<u>1,886</u>

The accounting policies and notes on pages 11 to 17 form part of these financial statements.

NOTES TO THE ACCOUNTS

Year Ended 31 March 2016

1. ACCOUNTING POLICIES

The financial statements are prepared for the first time in accordance with applicable United Kingdom accounting standards, specifically Financial Reporting Standard FRS102. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention modified by the revaluation of the investment property.

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:

Fixtures and fittings	15 years
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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 FRS102 the investment property will be revalued annually with the surplus or deficit transferred to the revaluation reserve.

Fair 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).

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. During 2016/17 the company will not fully recover in year costs as a result of income reductions if the tenants move to alternate accommodation while building refurbishments are completed. These costs will be recovered in subsequent years via income from group and external tenants.

NOTES TO THE ACCOUNTS
Year Ended 31 March 2016

2. INCOME

The Company's turnover comprises rent on its freehold building receivable from its controlling entity, the Local Government Association, the LGA's associated company the Improvement & Development Agency (IDeA) and also from external tenants. In accordance with the original lease dated 21 January 2000, the rent charged to the Local Government Association is the greater of £50,000 and the amount required to cover the cost of insuring and servicing the mortgage loans on it.

3. DIRECTORS' EMOLUMENTS

No directors received emoluments during the current or preceding financial year in respect of their services to the Company.

4. STAFF INFORMATION

The Company did not have any employees during the current or preceding financial year.

5. OPERATING SURPLUS

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Operating surplus is after charging:		
Depreciation	127	127
Auditors' remuneration - audit fee	4	1

6. TAXATION

The Company is exempt from tax on its income and gains by virtue of its status as a Local Authority Association under Section 519(3) of the Taxes Act 1988. It is exempt from capital gains tax under Section 271(3) of the Taxation of Chargeable Gains Act 1992.

7. TANGIBLE FIXED ASSETS

Fixtures and Fittings	Fixtures and fittings £000
Cost	
At 1 April 2015	1,901
Additions	-
At 31 March 2016	<u>1,901</u>
Depreciation	
At 1 April 2015	(1,127)
Charge for year	(127)
At 31 March 2016	<u>(1,254)</u>
Net book value	
At 31 March 2016	<u>647</u>
At 31 March 2015	<u>774</u>

NOTES TO THE ACCOUNTS
Year Ended 31 March 2016

8. INVESTMENT PROPERTIES

	2016	2015
	£000	£000
Brought forward valuation	30,700	28,100
Unrealised gain on revaluation	4,293	2,600
Capitalised items	857	-
Carried forward valuation	<u>35,850</u>	<u>30,700</u>

Local Government House is now treated as an Investment Property under FRS102 being mainly leased to group companies, as well as third parties at a commercial rate on an arm's length basis.

The Company's interest in the property was externally valued at £35.8 million as at 31 March 2016 by Farebrother Chartered Surveyors. The market value of the freehold interest in the property was arrived at primarily after consideration of market evidence for similar properties.

9. DEBTORS

	2016	2015
	£000	£000
Trade debtors	78	39
Due from related entities	165	282
Other Debtors	2	15
	<u>245</u>	<u>336</u>

10. CASH AND CASH EQUIVALENTS

	2016	2015
	£000	£000
Cash at bank and in hand	10	71
Short Term Investments	131	1,815
	<u>141</u>	<u>1,886</u>

11. SHORT TERM INVESTMENTS

Surplus cash balances held by the Company, the companies it controls and related parties are pooled and lent to financial institutions on the Company's approved counterparty list. Investments are typically for periods not exceeding twelve months and as such the loan amount is a reasonable assessment of fair value. The counterparty list is currently restricted to financial institutions that meet agreed credit ratings criteria and subject to the cash limits (per counterparty) as shown in the Company's Investment Strategy. The Company's Investment Strategy strictly applies credit limits for all financial institutions on the approved counterparty list to ensure that investments are diversified. No credit limits were exceeded during the year and the Company does not expect any losses on short term investments.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£000	£000
Accounts payable and accruals	249	108
Other creditors	47	150
Income received in advance	8	16
Bank loans -see note 14	700	700
Loan from Local Government Association	1,600	100
Owed to Related Companies	622	958
	<u>3,226</u>	<u>2,032</u>

NOTES TO THE ACCOUNTS
Year Ended 31 March 2016

A £1.5 million loan agreement was created in March 2013 and extended in March 2015 for a further 2 years with the Local Government Association. This loan bears interest at an interest rate of 2.5% p.a. over base rate.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£000	£000
Bank loans	4,160	4,860
Loan from ACC (Properties) Limited	2,000	2,000
Loan from AMA (Properties) Limited	6,200	6,200
Loan from Local Government Association	120	1,720
Barclays Swap Liability	1,131	1,288
	13,611	16,068

The new inclusion in the above table for Barclays Swap Liability is a requirement of FRS102 to include a value on the balance sheet for the additional Swap agreement liability as at the 31st of March that would be payable if the loan was repaid (See Note 14 below). The movement in the Swap liability between the years £157,000 is reflected in the Statement of Comprehensive Income for the year.

The loans from ACC (Properties) Ltd and AMA (Properties) Ltd are only repayable in the event of the sale of Local Government House. There is no intention to dispose of the property in the foreseeable future.

The loan from ACC (Properties) Ltd bears compound interest at 1.5% above the base rate with payment conditional upon the disposal of the property. The accumulated interest to date on the loan is £2,693 million.

Under an agreement dated 22 January 1998 made between Association of Metropolitan Authorities (Properties) Ltd, Local Government Association (Properties) Ltd and the Association, the AMA property.

Company contributed the net sale proceeds of its former property in Great Smith Street to the purchase of Local Government House by Local Government Association (Properties) Ltd. In recognition of this, authorities in membership of the Local Government Association that were formerly members of the Association of Metropolitan Authorities receive a discount on their membership subscriptions. The discount, originally at the rate of £6,000 per authority, currently stands at £7,965 and increases every five years in line with inflation.

Following a review of the external debt commitments of the Local Government Association and its related entities, a loan agreement was created in July 2010 for £820,000 then due by the Company to the Local Government Association. The loan is repayable in bi-annual instalments of £50,000 over a period of just under 8 years, with a final repayment of £70,000 on 31 March 2018. This loan bears interest at 5% p.a.

14. BANK LOAN AGREEMENT

The Barclays Bank plc loans of £4.86 million are secured against Local Government House. The liability relates to 13% of the current valuation of £35.850 million. The original loan of £13 million, taken out in 2000, is repayable over 25 years in bi-annual instalments of £260,000. In 2007 the Company took out a further loan of £1.8m with Barclays Bank plc. This loan is repayable over 10 years in bi-annual instalments of £90,000 and interest on it is payable at a fixed rate. Accordingly, instalments totalling £700,000 are included under the heading 'creditors falling due within one year', with the balance of £4.16 million included under the heading 'creditors falling due after more than one year'.

The interest rate strategy of the Company is to align its interest payments with its business structure. As the Company's income is not influenced by changes in short term interest rates, the Company made arrangements for around two-thirds of its original debt to be subject to hedging at a fixed rate and one-third to be hedged at a floating rate within a collar.

The hedging facilities for the two loan tranches originally of £10 million and £3 million were valued at 31 March 2016 as follows:

NOTES TO THE ACCOUNTS
Year Ended 31 March 2016

Instrument	Notional Amount	Maturity Date	Trade Date	Mark to Market Value Notional (Gain)/Loss
Tranche 1	£000			£000
CAP/CMPLX	1,200	21/01/2025	27/01/2000	266
SWAP	2,400	21/01/2025	27/01/2000	609
Total	<u>3,600</u>		Net Notional Loss	<u>875</u>
Tranche 2	£000			£000
CAP/CMPLX	360	21/01/2025	13/07/2000	78
SWAP	720	21/01/2025	13/07/2000	178
Total	<u>1,080</u>		Net Notional Loss	<u>256</u>
Combined total	<u>4,680</u>		Net Notional Loss	<u>1,131</u>

15. CONTROLLING ENTITY

The controlling entity is the Local Government Association and the registered office is Local Government House, Smith Square, London, SW1P 3HZ.

16. RELATED PARTIES

The Company had the following transactions with related parties:

	Value of related party transactions in year 2016 exp / (inc) £000	Outstanding balance at 31 March 2016 dr / (cr) £000	Value of related party transactions in year 2015 exp / (inc) £000	Outstanding balance at 31 March 2015 dr / (cr) £000
Local Government Association	(416)	(441)	669	(303)
Local Government Association - Loans	-	(1,720)	-	(1,820)
Improvement and Development Agency	(794)	(15)	1,278	(373)

The transactions between these companies are a result of rental and other day to day activity recharges.

NOTES TO THE ACCOUNTS
Year Ended 31 March 2016

17. 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 surplus 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.

STATEMENT OF COMPREHENSIVE INCOME		2015
		£000
UK GAAP – As previously reported		249
Depreciation Adjustment - in year operating Surplus	A	262
Gain on revaluation of property	B	2,600
In year Adjustment for Barclays Swap Liability		(54)
Total adjustment to surplus for the financial year		<u>2,808</u>
FRS 102 Total Comprehensive Income		<u><u>3,057</u></u>

TOTAL ACCUMULATED FUNDS	1 April 2014	31 March 2015
	£000	£000
UK GAAP – As previously reported	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
Historic Adjustment for Barclays Swap Liability	(1,233)	(1,233)
In year Adjustment for Barclays Swap Liability		(55)
FRS 102	<u>4,700</u>	<u>15,596</u>

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.

NOTES TO THE ACCOUNTS
Year Ended 31 March 2016

B – Property gain

Under FRS102 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.

C – Barclays Swap Liability

FRS102 requires the revaluation of the Barclays Loan liabilities to include a value on the balance sheet for the additional Swap agreement liability as at the 31st of March that would be payable if the loan was repaid at that date. (See also Note 14).

18. POST BALANCE SHEET EVENTS

The directors are not aware of any material post balance sheet events.



Local Elections and LGA Political Balance 2016-2017

Purpose

For decision.

Summary

Local elections in England and elections to the English Parliament took place on 5 May 2016. The LGC Elections Centre at the University of Plymouth has provided the definitive figures for the LGA's proportionality for 2016-2017. This reports sets out the revised proportionality and its implications for the distribution of seats amongst the political groups on the LGA's governance structures.

Recommendation

That the LGA Leadership Board endorses the proportionality figures for 2016/2017 meeting year.

Action

Political Groups to agree the allocation of places across all LGA structures.

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Local Elections and LGA Political Balance 2016-2017

Background

1. The 2016 local elections took place on Thursday 5 May in 124 English Councils; 35 metropolitan districts, 70 district councils and 19 English unitary authorities. On the same day, there were also four mayoral contests and elections for the London Assembly, Welsh Assembly, Scottish Parliament and Police and Crime Commissioners in 41 police force areas in England & Wales (excluding London).

LGA proportionality

2. Overall, since the LGA's proportionality was calculated in 2015 (and including the impact of elections, by-elections, defections, new ward boundaries and revisions to LGA membership) the changes have been very small. Both the Conservative and Labour share of the vote decreased by around a tenth of a percentage point. Liberal Democrat share was unchanged, and independent/others saw an increase of around two tenths of a percentage point.
3. Following the return of Sheffield City Council into membership, the Labour Group is now the largest political group within the LGA. However, at the time of calculation of the political balance, the Conservative Group was still the largest group by 0.61 per cent and will therefore appoint the LGA Chairman for 2016/17.
4. The LGA Chair also chairs the Leadership Board, the LGA Executive and the Councillors' Forum. The remaining Office Holders are appointed according to proportionality. The Senior Vice-Chair of the LGA will be the Leader of the Labour Group.
5. The final figures for 2016-2017, based on data provided by the University of Plymouth are set out below along with the 2015/16 figures. The figures include the effect of the 50% weighting for Welsh authorities, and the respective weightings for two tier areas.

Year	Conservative	Labour	Ind/Other	Lib Dems
2016/17	40.47	39.86	10.27	9.40
2015/16	40.60	40.00	10.10	9.40

6. The political balance on each of the Association's governance structures is calculated according to proportionality. The four-member Audit Committee, Commercial Advisory Board and Property Company Boards are not included.

LGA Leadership Board

7. The LGA Leadership Board comprises a core group of 11 places, made up of the Chair, 4 Vice-Chairs (the LGA's Group Leaders) and 6 Deputy Chairs. As a result of negotiation, the Board increased to 16 places in 2015/16 and will remain this size for 2016/17. This comprises of 6 Conservatives, 6 Labour, 2 Independents and 2 Liberal Democrats.

Chairs

8. The LGA's 9 Boards, together with the Fire Services Management Committee, gives a total of 10 Chairs.

LGA Executive

9. Core membership of the LGA Executive comprises the LGA Leadership Board, the Chairs of the 9 boards and representatives of the 9 English regions and Wales. From September 2016, the core membership of the Executive will be 35.
10. Under the LGA Constitution, regional and Welsh appointments to the Executive are encouraged to be made from the largest group in that region. Given current proportionality across the country, a further 5 balancing members will be required, bringing the Executive to 40 members. Groups may either appoint additional members as balancing members, or allocate additional voting rights to existing members to achieve the balance.
11. The Chairs of CCN, DCN, SIGOMA and Local Partnerships attend Executive meetings in a non-voting capacity and are not included in the political balance of the LGA Executive.

Boards

12. The following 7 boards will each have a proportionate membership of 18, including the chair.
 - 12.1. Children & Young People
 - 12.2. Community Wellbeing
 - 12.3. Culture, Tourism & Sport
 - 12.4. Environment, Economy, Housing & Transport
 - 12.5. Improvement & Innovation
 - 12.6. Resources
 - 12.7. Safer & Stronger Communities
13. The City Regions and People & Places Boards were established in February 2014. The make-up of these Boards reflects the political proportionality of the wider group of councils from which their membership is drawn and each has an additional deputy chair drawn from the same group as the chair.

Fire Services Management Committee

14. The Fire Services Management Committee membership of 14 is drawn from authorities with responsibility for fire & rescue.

Conclusion

15. Based on the revised proportionality, the political groups will negotiate the allocation of chairs and vice chairs across all governance structures set out in Table 1 (attached).

Table 1 – Allocation of places for each structure

Structure	Year	Cons	Lab	Lib Dem	Ind	Total
LGA Leadership Board (core group is 11 places) * negotiation	2016/17	6	6	2	2	16*
	2015/16	6	6	2	2	16*
Chairs of Boards and Fire Services Management Cttee	2016/17	4	4	1	1	10
	2015/16	4	4	1	1	10
LGA Executive (including balancing places)	2016/17	16	16	4	4	40
	2015/16	15	15	3	4	37
Boards (7) (18 Members)	2016/17	7	7	2	2	18
	2015/16	7	7	2	2	18
City Regions Board (22 Members)	Political Balance					
		Lab	Cons	Lib Dem	Ind	
	2016/17	63.7%	23.0%	7.2%	6.1%	
	2015/16	64.3%	22.6%	7.0%	6.2%	
	Seats on the City Regions Board					
	2016/17	14	5	2	1	22
	2015/16	14	5	2	1	22
People & Places Board (22 Members) <i>*23 places in 2015/16 due to negotiation</i>	Political Balance					
		Cons	Lab	Lib Dem	Ind	
	2016/17	56.3%	20.3%	11.4%	12.1%	
	2015/16	56.6%	20.3%	11.4%	11.7%	23*
	Seats on the People & Places Board					
	2016/17	12	4	3	3	22
	2015/16	12	4	3	4*	23
Fire Services Management Committee		Lab	Cons	Lib Dem	Ind	
	2016/17	6	6	1	1	14
	2015/16	6	6	1	1	14



LGA General Assembly: Motions for Annual Meeting

Purpose of report

For decision.

Summary

The LGA's General Assembly meets once a year and acts as the 'parliament' for local government. This year, the meeting will be held on Tuesday 5 July 2016 at Bournemouth International Centre.

The LGA's Standing Orders provide for Motions to be moved at any meeting of the LGA General Assembly. The deadline for submitting Notices of Motions has now passed; three Motions have been received as follows:

1. Public Health: Cambridge County Council (**Appendix A**)
2. Duty to keep land and highways clear of litter: Dover District Council (**Appendix B**)
3. Action on low pay: Kirklees Council (**Appendix C**)

It is in the remit of the LGA Executive to determine whether Motions should:

- a) receive consideration by the General Assembly on 5 July; or
- b) be remitted to the LGA Executive or the relevant LGA Board/Portfolio for consideration instead.

With consideration of the tight timetable for General Assembly business and mindful of providing sufficient time for debate, LGA Group Leaders are recommending to the LGA Executive that the Public Health Motion be submitted to the General Assembly for debate, with the remaining two Motions remitted to the relevant LGA Board/Portfolio for consideration.

Recommendations of LGA Group Leaders

That the LGA Executive **agree**:

- i. to refer the 'Public Health' Motion to the LGA General Assembly for discussion;
- ii. to remit the Motion on 'Duty to keep land and highways clear of litter' to the Environment, Economy, Housing & Transport Board; and
- iii. to remit the 'Action on low pay' Motion to the Resources Portfolio.

Action

Officers to submit the Motions to the relevant LGA Governance Structures in accordance with LGA Executive's decision.



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Appendix A

Motion 1: Public Health

Councillor David Jenkins, Chairman Health Committee, Cambridgeshire County Council supported by Councillor Colette Wyatt-Lowe, Cabinet Member for Adult Care and Health , Hertfordshire County Council

Proposes that

This Association recognises the beneficial impact that Public Health and other ‘prevention’ activities have on long term outcomes including: reduced health and social care costs, improved individual quality of life and increased workforce productivity. We also recognise the work of Health and Wellbeing Boards and their importance in embedding Public Health measures.

Whilst we recognise the excellent work being done at present to maintain and improve such outcomes this association has expressed concern that reductions to the public health budget for 2016/17 and 2017/18 will have a significant impact on the essential prevention and health protection services provided by councils.

There is a case to be made that public health spend has historically been too low to achieve a significant and sustained positive impact on health outcomes and on health inequalities. Looking forward it will be important to ensure that the total resources available for public health are sufficient to meet needs. Councils in some areas have serious and well-founded concerns that the future public health investment in their communities could fall well behind likely need.

We recognise that providing additional financial support is exceptionally challenging, especially given the financial pressures across the public sector. However, the alternative is that without resources specifically for primary and secondary prevention, there is a risk that we won’t see the radical step change required to reduce impacts on the NHS and adult social care.

The LGA in its paper ‘Prevention: A Shared Commitment’ has identified key pieces of evidence that highlight the cost effectiveness of prevention. Through a number of case studies it illustrates how £ 1 billion could be spent to generate benefits of £7.19 billion over a five year period.

This association therefore:

- Encourages councils to bring forward coherent projects as investments to enable such radical step changes
- Calls upon Her Majesty's Government to make available substantial grant funding to finance such projects.

Appendix B

Motion 2: Duty to keep land and highways clear of litter

Dover District Council

Background

Section 89 of the Environmental Protection Act 1990, sets out the various responsibilities with regard to the “**Duty to keep land and highways clear of litter**”, with the responsibility to ensure that the highway or road is, so far as is practicable, kept clean split between:

- a) Each local authority, as respects any relevant highway or relevant road for which it is responsible,
- b) The Secretary of State, as respects any trunk road which is a special road and any relevant highway or relevant road for which he is responsible.

(Special Roads are roads on which certain types of traffic are prohibited, under the Highways Act 1980. All motorways are Special Roads, together with some high-grade dual carriageways. It is understood that the only non-motorway special road that has been identified is the A282 in Essex and Kent, between M25 junction 30 and south of M25 junction 1b. This section of road includes the Dartford – Thurrock River Crossing.)

Issue

The operational impact of this arrangement is that the simple designation of the road can mean that the burden and cost of keeping the highway and adjacent verges clear of litter on the strategic road network falls unfairly on some local authorities. For example within Kent responsibility for cleaning the M2 and M20 rests with Highways England acting on behalf of the Secretary of State whereas cleaning the A2 and A20, both strategic dual carriageways leading to Dover, become the responsibility of the individual authorities concerned.

Proposal

It is proposed that the LGA should lobby Government to require them to amend the legislation and place the duty to keep land and highways clear of litter on all trunk roads with the Secretary of State alone.

Appendix C

Motion 3 – Action on Low Pay

Cllr David Sheard, Leader of Kirklees Council, seconded by Cllr Judith Blake, Leader of Leeds City Council

Proposes that

“Local authorities should lead by example when it comes to tackling the problems of low pay in their areas. For this reason, the Council’s of the West Yorkshire and York Combined Authority developed the West Yorkshire Low Pay Charter – No Silver Bullet. Conference is asked to support the West Yorkshire Authorities and York in their efforts to tackle low pay in their organisations and give consideration to adopting the charter in their Authorities.” The recommendations of the Charter are:

- Review existing pension information to make the case for membership from a low pay perspective and proactively target communication at lower paid workers to drive up-take.
- Commit to proactively communicating the positive relationship between skills and opportunity; and to ensuring that lower paid staff are supported to reach their potential through implementation of a strategy for inclusive personal and professional development.
- Proof all HR policies for their impact on lower paid workers, with particular focus on progression and reducing institutional barriers such as constrained career structures.
- Deliver excellent management and leadership practices as standard across the organisation, with specific focus on equipping those who manage lower paid workers with the skills and systems they need.
- Agree to the principle of investing in and promoting a responsive employee benefits package that is accessible and communicated to target groups consistently, frequently and through the right channels, and that complements the approach in individual Districts to directly support lower paid workers to stretch their take-home pay.
- Collaborate across the area to streamline health and wellbeing activities, learn from good practice and target lower paid workers to increase participation.
- Apply Social Value policy, prioritising in the first instance those commissioned services where low pay prevails; and work collaboratively to influence others to do the same.
- Guard against inappropriate use of zero hours contracts and protect casual workers from affects of low pay, concentrating on our own workforces and commissioned services.
- Use local authority influence and local leadership to tackle low pay across the WYCA area in pursuit of a ‘good growth’ agenda.

For further information: http://www.westyorks-ca.gov.uk/uploadedFiles/Content/News/Articles/LPWC_Draft%20Report_v8_FINAL%20POST%20LEADERS.PDF



LGA Leadership Board

8 June 2016

LGA Vice-Presidents 2016-17

Purpose of report

For discussion and endorsement.

Summary

This paper sets out those Members of the House of Commons, House of Lords and European Parliament that the LGA Political Groups, working with the Public Affairs team, will be inviting to be Vice-Presidents for 2016-17.

Recommendation

That the LGA Leadership Board notes the appointments made by the Political Groups.

Action

Agree appointments to be formally reported at the LGA General Assembly.

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LGA Vice-Presidents 2016-2017

Background

1. Every year the LGA appoints Vice Presidents to act as our advocates in Parliament and Europe. Under the Constitution, Vice Presidents are appointed by the four LGA political groups and reported at the Annual LGA General Assembly.
2. We work closely with this group of parliamentarians. Vice Presidents act as a first port of call, promoting the LGA by highlighting local government's priorities in debates, working to secure amendments to legislation, tabling parliamentary questions and motions, and by hosting events in Parliament. Their support protects and enhances the reputation of councils and enables us to pursue our campaigning objective. Vice-Presidents usually have a strong background in local government and are committed to supporting LGA priorities in Westminster and Europe.
3. We offer Vice Presidents bespoke briefing notes and verbal briefings, use of LGA facilities, subscription to LGA bulletins and publications, free attendance to our conferences and speaking opportunities at LGA events.
4. Engagement with Vice-Presidents focuses around our corporate campaigns (actively seeking their support and involvement) and those pieces of legislation agreed to be a priority for LGA members by the Leadership Board at the start of each parliamentary session.
5. LGA Vice-Presidents receive the following benefits and support from the LGA:
 - 5.1. Tailored briefings to support LGA policy positions and corporate campaigns
 - 5.2. Support drafting questions, amendments to legislation and parliamentary motions.
 - 5.3. Complimentary use of LGA facilities including meeting rooms.
 - 5.4. Free attendance for Vice Presidents and their staff at LGA conferences & events.
 - 5.5. Opportunities to speak at LGA conferences and events.
 - 5.6. Opportunities to write for LGA publications.
 - 5.7. Complimentary subscription to First magazine.
 - 5.8. A weekly (when Parliament is sitting) LGA Parliamentary e-bulletin.
 - 5.9. Opportunity to subscribe to the Daily LGA News Headlines e-bulletin if they wish to do so.
 - 5.10. Invitations to LGA events in Parliament, including our annual reception, and a bespoke annual LGA Vice-Presidents event.
 - 5.11. Access to LG Inform.

Proposed Vice-Presidents for 2016-17

6. Political Groups can appoint twelve Vice-Presidents, spread across Westminster and the European Parliament. Set out below are the Vice President nominations for 2016/17:

Conservative

1. Margot James MP (Stourbridge)
2. Charles Walker MP (Broxbourne)

3. Heather Wheeler MP (South Derbyshire)
4. Stewart Jackson MP (Peterborough)
5. Andrea Jenkyns MP (Morley and Outwood)
6. Sarah Wollaston MP (Totnes)
7. Bob Blackman MP (Harrow East)
8. Baroness Eaton
9. Lord True
10. Lord Whitby of Harborne
11. Julie Girling MEP
12. Andrew Lewer MEP

Labour

1. Clive Betts MP (Sheffield South East)
2. Catherine McKinnell (Newcastle North)
3. Steve Reed MP (Croydon North)
4. Catherine West MP (Hornsey and Wood Green)
5. Wes Streeting MP (Ilford North)
6. Lord Beecham
7. Baroness Smith of Basildon
8. Lord Smith of Leigh
9. Lord Whitty
10. Lord Kennedy of Southwark
11. Richard Howitt MEP (East of England)
12. Derek Vaughan MEP (Wales)

Liberal Democrats

1. John Pugh MP (Southport)
2. Tim Farron MP (Westmorland and Lonsdale)
3. Norman Lamb MP (Norfolk North)
4. Baroness Barker
5. Lord Greaves
6. Baroness Maddock
7. Lord Shipley
8. Lord Tope
9. Baroness Bakewell
10. Baroness Pinnock
11. Baroness Scott of Needham Market
12. Catherine Bearder MEP

Independent

1. Douglas Carswell (Clacton, UKIP)
2. Baroness Greengross
3. Lord Bichard
4. Baroness Howarth
5. Lord Lisvane
6. Lord Wigley (Plaid Cymru)
7. Lord Adebowale
8. Baroness Jones of Moulsecoomb (Green)
9. Earl of Lytton



LGA Leadership Board

8 June 2016

- 10. Baroness Grey-Thompson
- 11. Earl of Listowel
- 12. Keith Taylor MEP (South East England, Green)

Code of Conduct

- 7. The LGA President and Vice Presidents are required to operate in accordance with the Code of Conduct for Members of the House of Lords, House of Commons, and European Parliament. This has been made clear in invitations to new Vice-Presidents and will be referenced in letters to those Vice-Presidents whose role is being renewed for a further year.

Financial Implications

- 8. There are no financial implications to this paper.

2016 Annual Report of the Audit Committee

Purpose of report

For agreement.

Summary

The report provides an overview of areas reviewed and work undertaken by the Committee in 2015/16, in accordance with the Committee's terms of reference.

The report is subject to approval by Audit Committee on 6 June. Any additional comments from the Committee will be made verbally at the meeting.

Recommendation

That the LGA Leadership Board agree the annual report of the Audit Committee to be presented to the LGA Executive on 9 June 2016 and the General Assembly on 5 July 2016.

Action

The annual report to be presented to LGA Executive and the General Assembly.

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2016 Annual Report of the Audit Committee

Introduction

1. The responsibilities of the LGA's Audit Committee are to:
 - 1.1. review the financial statements prepared for the LGA and its associated companies
 - 1.2. monitor the processes for managing risks, internal controls and corporate governance arrangements
 - 1.3. oversee the appointments of the external and internal auditors and commission and review their work
 - 1.4. consider issues of probity and conduct
 - 1.5. seek expert advice where necessary to provide independent internal or external assurance on key issues
2. The main focus of the Audit Committee's work in 2015/16 has been to review the audited accounts of the LGA and its associated companies, and also the internal audit programme for the year.

Financial statements and external audit

3. Following a tendering exercise in the autumn of 2015, which included input from the Audit Committee, PKF Littlejohn were re-appointed as the external auditors for the LGA, IDeA, LGA (Properties) Ltd and LGMB.
4. In June 2016 the Audit Committee reviewed the LGA's consolidated audited accounts for 2015/16 and the audited accounts for the three associated companies, prior to these being adopted by the Leadership Board and the relevant company boards.
5. The LGA's consolidated financial statements disclose the position of the LGA as a standalone entity, and include the LGA's Income and Expenditure account and Balance Sheet.
6. The consolidated accounts show the LGA and its related bodies made an operating surplus of £3.160 million, the main causes of the trading surplus are:

Savings - £2.450m

 - 6.1. Reduced spend on the IT contract - £1.3m, Corporate Costs £0.3m.
 - 6.2. Additional contributions to overheads from 50% higher than budgeted ring-fenced activities - £0.6 million.
 - 6.3. An increase in the budgeted LGA's share of the surplus from GeoPlace LLP £0.250m.

Additional Costs – 0.9m

- 6.4. Expenditure for severance costs and reorganisation delivery costs to enable the restructuring savings at 6.1 above - £0.9m.

Accounting Adjustments – 1.708m

- 6.5. Additional unrealised gains on revaluation of Layden House and Local Government House - 3.523m
 - 6.6. Current year cost adjustment of £1.815m required to account for the pension scheme deficit in accordance with accounting standards. Note this is offset by a £19.924m credit to the Pension Deficit Reserve arising from a positive actuarial gain from our pension funds this year.
- 7. Gains and losses that relate to changes in the actuarial assumptions used to calculate pension scheme liabilities, as well as the excess contributions made to reduce historic deficits are now all included within the overall Statement of Comprehensive Income for the year of 23.084m.
 - 8. It is standard practice for issues identified in the course of the external audit to be raised by the auditors with management and for these to be reported to the board members as “Performance Improvement Observations” in what is commonly known as the “Management Letter”. The Audit Committee received this report from the auditors at its meeting on 6 June 2016, and will monitor progress with the recommendations arising from the 2015/16 external audit.

Internal audit

- 9. TIAA were re-appointed as LGA's internal auditors in 2015 following a successful bid as part of a tendering exercise.
- 10. The Audit Committee is responsible for agreeing the annual internal audit strategy and programme at the start of each financial year, taking account of the key risks identified in the LGA's Strategic Risk Register.
- 11. The Audit Committee agreed the internal audit strategy and audit programme for 2015/16 at its meeting in June 2015. The audit programme was split into two blocks of work, including follow-up of previous audits. TIAA have completed the programme and full reports were presented to the Audit Committee meetings held in January 2016 and June 2016. TIAA's Annual Report was presented to the Committee meeting in June 2016.
- 12. Based on the work undertaken in 2015/16, the auditor's overall opinion regarding the adequacy and effectiveness of the LGA's risk management, control and governance processes is that “there is generally a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.
- 13. ICT Business Continuity was deemed high risk in the 2014/15 internal audit programme and was made a priority whilst tendering for a new LGA ICT provider. Following the

appointment of London Borough of Brent, a follow up audit of the ICT Business Continuity was conducted in December 2015. The Internal Auditors concluded that three of the four recommendations were implemented and one was no longer applicable therefore reducing this area of risk for the LGA.

14. The 2015/16 audit opinions are summarised below:

Internal audit assignment	Internal audit opinion
Key Financial Controls	Reasonable
HR Processes	Reasonable
Income Generating Activities	Substantial
ICT Contract Management	Substantial
Risk Management	Reasonable
Performance Information	N/A – advisory review

15. The Key Financial Controls audit reviewed the controls in place for budgetary control, cash and banking arrangements and expenses. The audit demonstrated that there are appropriate processes in place. The 'reasonable' assurance audit opinion reflected the need to reintroduce a Financial Management Policy and manual ensuring budget managers understand their roles and responsibilities.
16. The HR Processes audit focused on the arrangements in place for recruitment, inductions, absence monitoring and exit meetings. The 'reasonable' audit opinion reflected the requirement to ensure that induction checklists are returned to HR and consideration given to conducting formal exit interviews.
17. An appraisal audit of the LGA's Performance Information was conducted in 2016. TIAA recommended that Policy advisors should be fully engaged in the development of SMART objectives in line with the LGA's Business Plan and to allow for a more robust demonstration of the organisations key policy achievements within the year. These recommendations are in the process of being delivered.

Risk management and internal control

18. The LGA's approach to risk management is set out in its Risk Management Policy which was revised in April 2016 and approved by the Audit Committee in June 2016. This policy strengthens the LGA's risk management arrangements in relation to a number of significant new projects.
19. The Strategic Risk Register was updated in January 2016 and is reviewed quarterly by the Strategic Management Team (SMT) and Corporate Leadership Team (CLT) to ensure LGA's strategic and operational risks are identified and the associated scoring reflects the LGA's current situation. The Audit Committee has reviewed the Strategic Risk Register during the course of the year, in particular focusing on ensuring that key risks facing the organisation are being effectively managed.



Leadership Board

8 June 2016

20. The Audit Committee receives an annual report on instances of fraud occurring in the year. There were no proven instances of fraud or corruption in 2015/16.



Chief Executive's Monthly Report – June 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 June 2016.

Action

As directed by members.

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Chief Executive's Monthly Report – June 2016

Part 1 – Achievements against our five priorities

Priority 1 – Funding for Local Government

- 1.1. **100 per cent Business rates retention: policy development** – continued joint work with the DCLG on the development of the policy. The officer steering group met in April and May, the three officer working groups met in May, and the LGA's member task and finish group also met in May. Regular meetings for all these groups are planned up to the summer. Further information is available [here](#).
- 1.2. **100 per cent Business rates retention: engagement with local authorities** – officers attended a number of events including a roundtable for chief executives and finance directors in the North West; an event organised by public health colleagues in the East of England; a session with finance Core Advisers; and a number of local authority treasurer society meetings.
- 1.3. **Municipal bonds** - organised a conference on capital financing for local government in association with the UK Municipal Bonds Agency.
- 1.4. **Governance** – held the second meeting of the Resources Portfolio, including the review of how the new Governance structure is working and a gathering of initial views on business rates retention.

Priority 2 – Devolution

- 2.1 **Health and care devolution** – published '[Charting progress on the health devolution journey: Early lessons from Greater Manchester](#)' in partnership with the Greater Manchester Combined Authority, NHS Greater Manchester and the Public Sector Transformation Network.
- 2.2 **Education White Paper** – LGA lobbying contributed to the Department for Education abandoning its plans to force all council maintained schools to convert to academy status by 2022.
- 2.3 **Public Accounts Committee** – LGA Chairman, Lord Porter, gave evidence on the Cities and Local Growth inquiry, stressing the importance of a bottom-up process of devolution.
- 2.4 **Licensing devolution workshop** - held workshop for 50 delegates to discuss opportunities for licensing reform and devolution.
- 2.5 **Prevent and counter-extremism** - held meetings with John Hayes, the Security Minister, and Lord Ahmad, the Minister for Counter-Extremism, to discuss the role of councils in the Prevent and counter-extremism agendas.
- 2.6 **BIS Select Committee** – submitted evidence to the 'Powerhouses and engines: Government policy and regional growth' inquiry, highlighting the importance of local government in promoting growth.
- 2.7 **Devolution network** – officers met to hear the latest research on scrutiny and accountability and share experiences of developing combined authorities and devolution deals.
- 2.8 **Devolution support** – continued to provide direct support and advice to councils across the country, particularly as they move towards implementation of their deals. A 'communications at the heart of devolution' event was held in Somerset. New content produced for the DevoNext hub, including details of the new and extended deals announced in the Budget.
- 2.9 **Independent Commission on Inclusive Growth** – launched its year-long programme of activity. The LGA is one of the Commission's sponsors.

Priority 3 – Promoting Health and Wellbeing

- 3.1 **Mental Health** – held an event with Public Health England on mental health, attended by 250 delegates. Speakers included Norman Lamb MP, Kevin Fenton from PHE and Cllr Gillian Ford from the LGA Community Wellbeing Board.
- 3.2 **Dementia** – supported the launch of the Prime Minister’s 2020 Dementia Challenge implementation plan, which includes actions for the LGA on further supporting Dementia Friendly Communities and a pledge on post-diagnosis support.
- 3.3 **Sustainability and Transformation Plans (STPs)** – worked with local authorities and the NHS to further develop STPs around the country.
- 3.4 **Review of County Sports Partnerships** – responded to the independent review by making the case for more effective partnership working with councils and local partners to increase sport and physical activity participation.
- 3.5 **Female Genital Mutilation (FGM)** – began developing proposals with the Greater Manchester Combined Authority to support councils’ work on FGM through the National FGM Centre.
- 3.6 **Armed Forces support** – co-commissioned, with the Forces in Mind Trust, Shared Intelligence to undertake a review of local action to support the armed forces and veterans through the armed forces covenant.
- 3.7 **Psychoactive substances guidance** - published guidance on the new Psychoactive Substances Act.

Priority 4 – Economic Growth, Jobs and Housing

- 4.1 **Housing and Planning Act update** - the Housing and Planning Bill received Royal Assent. Following our work with Peers, we were able to secure a number of amendments, including:
 - giving councils the ability to grant secure tenancies to families with children;
 - restrictions around the resale of starter homes so that owners cannot ‘cash in’ on the discount only a few years after;
 - changes to the taper rate for pay-to-stay and time limited pilots on competition in processing planning applications.
 Other achievements are detailed in our briefing [here](#).
- 4.2 **Transport for a Growing Economy** – held an event for members and senior officers on how councils can shape transport to support and drive local growth. Speakers included senior representation from Network Rail, Highways England, Department for Transport, local government.
- 4.3 **National Infrastructure Commission** – the Economy, Environment, Housing and Transport Board met with Lord Adonis, the interim Chair of the National Infrastructure Commission, and highlighted the role and importance of councils and local infrastructure.
- 4.4 **Superfast Broadband** - the LGA launched its [Up to Speed campaign](#) to provide councillors and council officers with a set of resources, including a speed test and case studies, to improve their residents’ broadband speeds.
- 4.5 **Cutting red tape** – the LGA’s submission to the *Cutting Red Tape* review of local government regulation highlighted role council regulators play in supporting local businesses.

Priority 5 - Sector-led Improvement

- 5.1 **One Public Estate** – received 31 expressions of interest from new partnerships for phase 4 of the programme. Partnerships could receive up to £50,000 to develop their submission, and up to £500,000 to progress their projects if they are successful.
- 5.2 **Demand Management Microsite** – launched the LGA [demand management microsite](#), which equips councils with the knowledge and tools they need to manage demand effectively by bringing together and highlighting examples of demand avoidance and demand prevention from across the country.
- 5.3 **Digital Transformation projects** – the LGA has awarded £560,000 funding for digital schemes to projects involving 34 councils through the digital transformation programme. The aim of the programme is to develop digital solutions to support work on national transformation programmes.
- 5.4 **Be a Councillor** - new Be a Councillor projects have been agreed with Birmingham and the Isle of Wight. The Isle of Wight campaign will be the first to specifically target getting more women into public office and will centre around an event in the Autumn.
- 5.5 **Councillors' Guide** - published our new Councillors' Guide for 2016/17 online [here](#). The guide is a quick reference resource providing councillors with essential information that they need to know.
- 5.6 **Change of control support** - contacted councils who may have experienced a change in leadership and/or political control to offer support. The LGA offers up to five days of free support from experienced councillor peers for new leaders and cabinet members.
- 5.7 **Highlighting Political Leadership** – the Leadership Academy graduation took place in Warwick on 19-20 May, with over 140 new Leadership Academy graduates – the highest number since 2010. This has been a record breaking year, with more Leaders than ever attending our programmes.
- 5.8 **National Graduate Development Programme (ngdp)** - all successful candidates have been allocated interviews. The scheme has proved to be incredibly popular this year with more councils and graduates getting involved than ever before.
- 5.9 **LGA / Arts Council England improvement offer** – completed an evaluation of library peer challenges carried out over the last three years and collected new case studies showcasing different library delivery models.
- 5.10 **Local government pensions** – launched the new [national website](#) for LGPS members in England and Wales. The website provides scheme information, interactive tools and contact details for members and prospective members of the LGPS..
- 5.11 **Automatic enrolment enquiry** – submitted a response to a DWP enquiry on lifetime ISAs and automatic enrolment following the announcement of the introduction of lifetime ISAs as a new retirement savings vehicle in the 2016 Budget.
- 5.12 **Exit payment reforms** – submitted [a response](#) to a Government consultation on reforms to public sector exit payments where an employee leaves the public sector. The LGA response was based on views expressed by authorities following a consultation that we carried out with them.

Part 2 – Media outreach and membership related activity**Media and Public Affairs**

1. The LGA was mentioned **205 times** in the Houses of Parliament.
2. The LGA gave evidence to **12 parliamentary inquiries** (including oral evidence to the EFRA Committee inquiry into flood prevention and written evidence to the Business, Innovation and Skills Committee inquiry into Powerhouses and Engines).
3. The LGA circulated formal written briefings to MPs and Peers for **16 parliamentary debates**. We briefed on, and suggested amendments to, a range of primary legislation including the Housing and Planning Bill, Investigatory Powers Bill and Policing and Crime Bill.

Media Source	Issue
FT, Mirror	The LGA's warnings that the extra 2 per cent levy on council tax will not be enough to cover the funding gap in adult social care.
Guardian	Asylum, Refugee and Migration Task Group Chairman Cllr David Simmonds's call for the government to properly resource local authorities to cope with a rise in unaccompanied child asylum seekers.
Mirror, Mail, i paper	The LGA's estimate that the new National Living Wage could cost councils at least £330 million in 2016/17 and call for £700 million of new funding earmarked for social care by 2020 to be brought forward.
Guardian, Mail, i paper, Mirror, Sun, New Day, BBC Online, ITV Online, Good Morning Britain, BBC Radio 2, BBC Radio 5 Live	The LGA's announcement of council support for the National Living Wage alongside a warning that the cost of introducing it will heap further pressure on social care services, followed by Deputy Chairman Cllr David Simmonds's television interview.
Telegraph Online, Mail Online, Sun	The LGA's analysis that council tax increases will not be enough to offset the full impact of further funding reductions for local authorities.
BBC Online	The LGA's response to government data showing that council tax bills in 314 out of 327 areas in England will see an average increase this year of £46, even if the council is freezing its share.
ITV News, Guardian Online, Times, BBC Online	Community Wellbeing spokesperson Cllr Izzi Seccombe's warning that social care services could hit "breaking point" because of the introduction of the National Living Wage.
Independent, Guardian	Chairman Lord Porter discussing the LGA's response to the Budget announcement.
LBC, Express, Mail Online and Guardian	Vice Chair Cllr Nick Forbes discussing the LGA's Budget submission and warning against any further cuts to local government.
BBC Online, Guardian Online	The LGA's response to an Environment, Food and Rural Affairs committee report on air pollution, calling for councils to have a range of powers and devolved funding to combat the issue.
BBC Online	The LGA's call for local areas to be able to accept new powers and extra funding without having elected mayors.
Sky News, LBC, Sky News Online, ITV News Online and Mail Online	Deputy Chairman Cllr Peter Fleming's call for developers to introduce new measures to ensure new homes and businesses are better protected against floods.
BBC Online	The LGA's call for government to meet its commitment to replace high-value homes sold to fund the extended Right to Buy scheme.
BBC Online, Mirror Online, Independent Online	The LGA's response to the Public Accounts Committee's report into government plans to extend the Right to Buy scheme to housing association tenants.
BBC Radio 4's Today in Parliament	LGA President Lord Kerslake's comments on the Housing and Planning Bill following the Bill's debate in the House of Lords.

BBC Radio 4's The World at One	Chairman Lord Porter discussing his amendment to the Housing and Planning Bill, which would protect secure tenancies for social housing tenants with children or claiming disability benefits.
Guardian Online	The LGA's estimate that housing benefit paid to private landlords could rise by £200 million.
Guardian Online	The LGA's warning that 80,000 social rented homes will be sold and unable to be replaced by councils.
Mirror Online	The LGA's warning that the Government's proposed Pay to Stay policy would have left 60,000 households unable to afford market rents or take up the option to buy their own council home.
Good Morning Britain, BBC Radio 5 Live, BBC News, Sky News, ITV News and on Mail Online, BBC Online, ITV Online, Sky News Online, Telegraph, Sun, i paper, New Day	LGA Vice-Chairman Cllr Gerald Vernon-Jackson responding to the Government's announcement of an extra pothole funding allocation.
BBC Radio 5 Live, i paper, the Independent	Housing spokesman Cllr Ed Turner's interview about the LGA's survey results on the consequences of housing reforms.
FT, Telegraph	The LGA's research showing nearly half a million homes in England with planning permission have yet to be built.
Independent on Sunday	Housing spokesman Cllr Peter Box speaking about council efforts to tackle homelessness.
Telegraph, Guardian, i paper, Times, Mirror, New Day, BBC Radio 4's You and Yours, Good Morning Britain, LBC	Safer and Stronger Communities Board Chair Cllr Simon Blackburn, Deputy Chairman Cllr Peter Fleming, and Community and Wellbeing Board member Cllr Jonathan McShane's call for the mandatory display of food hygiene ratings at all food outlets.
BBC News, Sky News, LBC, BBC Radio 2, BBC Online, ITV Online, Telegraph, Mail, Times, i paper, Star, Guardian Online, Mirror Online, Express Online, Metro Online, BBC Breakfast, BBC Radio 5 Live	The LGA's call for restaurants to offer free tap water to families eating out, as a healthy alternative to sugary drinks, followed by Safer and Stronger Communities Board Chair Cllr Simon Blackburn's interviews on this topic.
Times, Metro, Mirror, Mail Online	The LGA's response to new official figures which revealed the scale of the nation's obesity crisis.
Mirror, Mail, Independent Online, Metro Online, Telegraph Online	Cllr Izzi Seccombe' response to new research which shows loneliness can increase the chances of having heart disease or a stroke.
Mail, Sun, Guardian, New Day, Express, Star, Times, Metro, i paper, Mirror, BBC Breakfast, BBC Online, ITV Online, Independent Online, BBC Radio 1, Radio 2, Radio 4 and Radio 5 Live, Good Morning Britain, BBC Radio 5 Live, ITV News, BBC News	The LGA's media release warning about how the cost of removing decayed teeth in children has increased to more than £35 million a year, with follow-up interviews by Deputy Chairman Cllr David Simmonds, Health and Wellbeing spokesperson Cllr Izzi Seccombe and LGA Vice Chairman Cllr Gerald Vernon-Jackson.
BBC Breakfast, BBC News and Sky News, BBC Radio 5 Live, BBC Radio 2, BBC Radio 5 Live, BBC local radio, Mail, Mirror, Sun, Telegraph Online, BBC Online, Sky News Online, ITV News Online	Stronger and Safer Communities Board Chair Cllr Simon Blackburn and Deputy Chairman Cllr Peter Fleming warning about dangerous DIY teeth whitening kits.
BBC Online, BBC Radio 2, 3, 4, and 5 Live, Sky News, Sun, Express, Telegraph, Star, Mirror, i paper, ITV Online, Sky News Online and LBC Online	The LGA's media release urging the drinks industry to produce more low strength cider, wine, beer and spirits to help tackle drink-related health problems, with a follow-up interview by Community Wellbeing spokesperson Cllr Izzi Seccombe.

BBC Radio 5 Live, Mail Online, Independent Online, Express, Good Morning Britain, LBC	Community Wellbeing Board Deputy Chair Cllr Richard Kemp's call for councils to be given powers to ban junk food advertising near schools, nurseries and children's centres.
Mail	LGA Licensing spokesman Cllr Tony Page's response to a new report by the Institute of Alcohol Studies, which found allowing alcohol to be served 24 hours a day had drained police resources.
Mail Online, BBC Online, Mail Online, BBC Online,	Community Wellbeing spokesperson Cllr Izzi Seccombe's call for the government to close the loophole that allows some academies to avoid signing up to school food standards.
BBC Online, Guardian Online	Community Wellbeing Portfolio Chair Cllr Izzi Seccombe's comments on NHS England's decision to reconsider whether to provide a drug treatment which can prevent HIV.
Mail Online, Independent Online	The LGA's call for restaurant, pub and fast food chains to commit to cutting salt and help reduce salt consumption.
BBC Online, Mirror Online, Mail Online and FT Online	The LGA's response to the High Court ruling in favour of a father who took his daughter on holiday in term time.
BBC Radio 4's World at One, BBC News channel, BBC 6pm and 10pm News, Sky News, ITV News, Channel 5 News, LBC, BBC Radio 5 Live, Guardian, Times, Mail, Mail Online, Mirror, New Day, Express, Telegraph Online, FT Online, Independent Online, BBC Online.	Asylum, Migration and Refugee Taskgroup Chairman Cllr David Simmonds's interview response to the government announcement that they will work with councils to help support unaccompanied asylum seeking children in Europe.
Guardian, Guardian Online	Asylum, Refugee and Migration Task Group Chairman Cllr David Simmonds discussing how councils doubled the number of unaccompanied asylum-seeking children they accepted last year.
Mail Online	Asylum, Migration and Refugee Task Group Chairman Cllr David Simmonds's comments on the government's commitment to support a further 3,000 'at risk' child refugees.
Guardian, Express Online	The LGA's response to the Government's new national dispersal scheme for asylum seeking children.
Mail, FT Online	The LGA's estimate that it costs £50,000 a year to pay for the foster care, health and education of a child refugee.
Express, Sunday Telegraph, Mail Online, Sky News Online, ITV Online, LBC Online, BBC Radio 5 Live, BBC Radio 5 Live, Sky News, LBC	Economy, Environment, Housing and Transport Vice Chair Cllr Martin Tett's comments on the introduction of powers allowing councils to issue on-the-spot fines of up to £400 for fly-tippers.
Mirror, Sunday Mirror, New Day, ITV Online, LBC	The LGA's call for the government to lower the maximum stakes of Fixed Odds Betting Machines (FOBTs) from £100 to £2 and to give councils powers to stop the clustering of betting shops.
BBC News, BBC Online, Guardian, Times, Telegraph Online, Mirror, Sun, Star	Analysis by the LGA which showed that 86 per cent of council-maintained schools continue to outperform academies.
FT, BBC News	The LGA's warning that the Apprenticeship Levy will cost councils £207 million a year and that the money should instead be pooled locally to be spent on closing skills gaps.
Channel 4 News, BBC Breakfast, BBC Radio 4's Today programme, LBC, Guardian, Times, BBC Online, Mail Online, New Day, Metro, Telegraph Online, BBC Online, Sunday Express, Observer	Vice-Chair of the Children and Young People Board Cllr Richard Watts's call for councils to be given new powers to provide classroom places if the government pressed ahead with plans to turn all schools into academies.
Mail, Sun	Children and Young People Board Chairman Cllr Roy Perry call for

	councils to have appropriate powers to ensure children get a suitable school place, following national offer day.
BBC Online	Vice Chair of the LGA's Children and Young People Board Cllr Richard Watts's response to a report by the Fostering Network on the impact of funding cuts on foster carers.
Guardian Online	The LGA's guidance for council communications staff during the pre-election purdah period.
BBC News, BBC One O'clock News, BBC Radio 5 Live, Channel 5 News and in the Guardian, Mirror, Mirror Online, FT, New Day, Mail Online, Independent, BBC Online, ITV Online and Sky News Online, BBC Question Time, BBC Radio 5 Live, BBC Online, BBC Radio 4's Today in Parliament, BBC Daily Politics	The LGA's response to government plans announced in the Budget to force all schools to become academies, including Children and Young People Board Vice Chair Cllr Richard Watts's interview on this topic.
Guardian Online, Independent Online	The LGA's previous research which found academies did not generally perform any better than local authority-run schools.
BBC Breakfast, BBC News, BBC Radio 2, BBC Radio 4, BBC Radio 5 Live, Times, Mail Online, Guardian, FT, Sun, Independent, i paper	A joint letter signed by the Leaders of the Conservative, Labour, Liberal Democrat and Independent groups at the LGA calling for the Government to drop plans to force all schools to become academies by 2022.
Guardian, Mirror Online	A joint letter signed by all four LGA political urging Lords to back a number of key amendments to the Housing and Planning Bill.
BBC Online, Guardian Online, Mail Online	The LGA's response to the Education Secretary's announcement that council-maintained schools rated 'good' or 'outstanding' by Ofsted will not be forced into academy status.
Telegraph	People and Places Board Chairman Cllr Mark Hawthorne discussing the LGA's Up to Speed campaign calling for the minimum broadband standard to be a percentage of average national speeds.
Express	The LGA's lines about how councils are prepared for the forecasted drop in temperatures.
Mail, BBC Online, Independent Online, Guardian Online, BBC Radio 5 Live, BBC Radio 4	The LGA's statement about compulsory microchipping for dogs.
BBC Breakfast, BBC Radio 5 Live, BBC Online, Guardian Online, Mail Online, ITV Online, Star, BBC News, Radio 2, 4, 5 Live, Sky News, LBC bulletins, Channel 4 News,	The LGA's survey which found that almost £250 million worth of damage to roads, bridges, public rights of way and drainage systems was caused by this winter's floods, with follow-up interviews by Environment spokesman Cllr Peter Box and Vice Chair Cllr Marianne Overton.
Telegraph, Express Online	The LGA's response to a government-backed report about how public services could save money through making use of new technologies.
BBC Breakfast, Mirror, Telegraph Online, ITV Online	The LGA's response to the Asphalt Industry Alliance's annual roads survey, showing that repairing the nation's roads would cost almost £12 billion and take 14 years.

LGA Membership

4. Sheffield City Council are now back in membership and have paid their subscription in full. 8 councils have given notice to leave the LGA 31 March 2017.

On notice to leave on 31 March 2017

- 4.1. East Staffordshire Borough Council (rolled over)
- 4.2. Hartlepool Borough Council
- 4.3. Gosport Borough Council
- 4.4. Waverley Borough Council (rolled over)
- 4.5. Preston City Council (rolled over)
- 4.6. West Sussex County Council (rolled over)
- 4.7. London Borough of Richmond (rolled over)
- 4.8. National Parks England (corporate membership for 10 English National Parks)

Out of membership

- 4.9. London Borough of Bromley
- 4.10. London Borough of Wandsworth
- 4.11. London Borough of Barnet

Membership visits for the Senior Management Team:

Chief Executive's Membership Visits: 6th April – 8th June 2016	
14 th April	North Dorset, West Dorset, Weymouth and Portland Councils
21 st April	MJ Spring Forum
22 nd April	CEXs' London Committee
25 th April	Liverpool City Council
26 th April	NW CEXs' meeting
26 th April	Manchester City Council
27 th April	Essex County Council
27 th April	Thurrock Council
29 th April	Leadership Roundtable, Leeds
10 th May	London Borough of Ealing
12/13 th May	Association of County CEXs, Lincoln
17 th May	Slough Borough Council
19 th May	London Borough of Redbridge
26 th May	Key Cities
7 th June	Warwickshire County Council
Forward plan: 9th June – 20th July 2016	
10 th June	Surrey CEXs' meeting
14 th June	Association of NE Councils
14 th June	Hartlepool Borough Council
17 th June	Yorkshire and Humber CEXs' meeting
17 th June	Wakefield Metropolitan Borough Council

Associate Director's Membership Visits: 6th April – 8th June 2016	
11 th April	West Midlands Combined Authority
14 th April	Bournemouth, Poole and Dorset
21 st April	London Councils
29 th April	West Midlands Combined Authority
13 th May	West Midlands Combined Authority
17 th May	East of England District Councils
20 th May	West Midlands Combined Authority
27 th May	West Midlands Combined Authority
Forward plan: 9th June – 20th July 2016	
10 th June	West Midlands Combined Authority
16 th June	West Midlands Combined Authority
30 th June	Bournemouth, Poole and Dorset
1 st July	West Midlands Combined Authority
13 th July	West Midlands Combined Authority
Head of Workforce's Membership Visits: 6th April – 8th June 2016	
26 th April	Rotherham Metropolitan Borough Council
9 th May	London Borough of Southwark
17 th May	Rotherham Metropolitan Borough Council
18 th May	London Borough of Tower Hamlets
25 th May	Rotherham Metropolitan Borough Council
Forward Plan: 9th June – 20th July 2016	
13 th June	Cheltenham Borough Council
18 th July	London Borough of Southwark
Head of Policy's Membership Visits: 6th April – 8th June 2016	
15 th April	Northern Partnership NHS financial summit, Leeds
18 th April	Health Transformation Task Group with regional CEXs
6 th June	Immigration Bill event with local authorities
7 th June	Meeting with regional CEXs on asylum and migration
Forward Plan: 9th June – 20th July 2016	
10 th June	Borough of Stockton on Tees
14 th July	Health Transformation Task Group with regional CEXs
15 th July	Cheshire West and Chester Council
Head of Improvement's Membership Visits: 6th April – 8th June 2016	
7 th April	London Borough of Merton
29 th April	Leeds City Council
Forward plan: 9th June – 20th July 2016	
10 th June	Wakefield Council
17 th June	London Borough of Harrow

1 st July	London Councils
Director of Communications' Membership Visits: 6th April – 8th June 2016	
14 th April	NALC event in Birmingham
25 th April	Newcastle City Council
26 th April	Devolution event in Manchester
4 th May	London Borough of Harrow
28 th May	Devolution event in Newcastle

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:	Member Services Manager
Phone no:	020 7664 3220
E-mail:	frances.marshall@local.gov.uk

LGA Forward Plan

LGA Leadership Board LGA Executive Councillors' Forum

JULY

LEADERSHIP BOARD

LGA LEADERSHIP BOARD 20.7.16	
Item	Summary / Purpose
EU Referendum	To consider the implications of the EU referendum result for local government.
Future Business Plan Priorities	To provide a steer on the high level priorities for business planning prior to full report in September.
LGA Business	
Membership & Terms of Reference	To note the new membership and terms of reference.
Dates of Future Meetings	To note dates of future meetings.
Annual SIG Reports	To review the annual reports of the LGA's Special Interest Groups.
Leadership Board – Review of the Year	Summarises the work of the Board since 1 September and its key achievements.
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.
Part 2: Confidential	
Note of the last Commercial Advisory Board meeting.	To note the minutes of the CAB last meeting.
100 per cent Business Rate Retention	To receive an update on the LGA's work on 100 per cent BRR.
LGA Group Finance	To update on group finances.

CLLRS FORUM

Councillors' Forum 21.07.2016	
Item	Summary / Purpose
Post-EU Referendum (or Business Rates Reform if result is to remain in the EU)	To consider the implications of the EU referendum result for local government.
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

LGA Executive 21.7.16	
Item	Summary / Purpose
LGA Business	
LGA Boards – Annual Review	To note achievements against the objectives and deliverables agreed for the year.
Note of LGA Leadership Board	To highlight key issues from the LGA Leadership Board meeting the previous day.
Note of the last Executive meeting	To agree the note of the last meeting.

SEPTEMBER

LEADERSHIP BOARD

LGA LEADERSHIP BOARD 14.09.16	
Item	Summary / Purpose
LGA Business	
Centre for Public Scrutiny	Annual report to the Board.
Local Partnerships	Annual report to the Board.
Review of Annual Conference	To review feedback from Annual Conference.
LGA Business Plan	To agree & recommend the Business Plan to LGA Executive.
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.
Part 2: Confidential	
Note of the last CAB meeting	To note the minutes of the CAB last meeting.
100 per cent Business Rate Retention	To receive an update on the LGA's work on 100 per cent BRR.

There is no Cllrs Forum in September. The LGA instead holds a briefing day for new and returning members appointed to its governance structures for 2016/17.

LGA EXECUTIVE

LGA Executive 15.9.16	
Item	Summary / Purpose
SEPTEMBER	
LGA Business Plan	To agree the Business Plan as recommended by the Leadership Board.
LGA Business	
Membership, Terms of Reference and Appointments to Governance Structures	To note the new membership, terms of reference and appointments to all governance structures.
Dates of Future Meetings	To note dates of future meetings
Note of LGA Leadership Board Meeting	To highlight key issues from the LGA Leadership Board meeting the previous day.

Note of the last Executive meeting	To agree the note of the last meeting.
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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

Website: 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

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

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

