

2014/15 Performance Report

Six months: April – Sept 2014

Introduction

Background

1. The annual business plan for 2014/15 for the LGA was agreed by the Executive in March 2014. We undertook to review the impact of our work and our delivery against the priorities in the business plan through robust performance management including regular reports to members on the LGA Leadership Board.
2. The following performance framework has been put in place to monitor delivery against the business plan:
 - 2.1. a progress report on achieving the outcomes in the business plan with information on the key milestones and deliverables for each area of work
 - 2.2. management accounts summarising the overall financial performance of the LGA and its associated companies
 - 2.3. a report on performance against the Corporate Health Indicators set out in the business plan, to enable us to review our own efficiency and effectiveness
3. The performance information for the first six months to the end of September 2014 is now presented in the detailed appendices to this report. A summary of the key issues arising is set out below.

Delivery of the LGA's programmes

4. A summary of delivery against each of the work programmes in the 2014/15 business plan is included at **Appendix A**. This sets out, for each objective, what has been delivered with a commentary on progress to date. A standard traffic light rating has been applied as follows:

TL	Definition	Total
G	Work programme delivered or on track to be delivered	38
A	Work programme at risk of not being delivered	4
R	Work programme will not be delivered	0
		42

5. The performance report shows that we are on track to deliver 38 of the 42 programmes identified in the business plan. This assessment relates to delivery of the LGA's operational programmes where the overall conclusion is that work is underway and on track.
6. The performance report identifies five objectives where the work programme is at risk of not delivered in full by year-end: These are set out below:

Business Plan Outcome	Commentary
Local government workforce is able to deliver the services required by local citizens - we will negotiate national agreements that are seen as fit for purpose by councils, represent their interests in reforming the Local Government Pension Scheme and continue to offer practical advice and products for their workforce challenges	The pay offer of 1% for council staff with more (up to 4.66%) for the bottom 6 pay points has been supported unanimously by councils who think it is reasonable in the context of the financial pressures they are facing. The unions have rejected the offer and gained support, via very low turnouts, for strike action on the 10th of July. All the usual advice and information has been provided to councils in preparation for this. An offer of 1% has also been made for firefighters and we are hopeful this will form the basis of a deal with the FBU.
Full membership - we will maintain membership levels amongst local authorities in England and Wales by enhancing the benefits of membership. Having significantly reduced subscriptions over the last five years, we will maintain subscriptions at current levels and continue to communicate on the benefits of membership directly with individual councils and all councillors.	Membership levels maintained in 2014/15, with only two councils currently out of membership but 13 are currently on notice (compared with 31 this time last year).
Financial sustainability - we will work with our member authorities and government to ensure we secure core funding for the LGA from 2015/16 from subscriptions and LGA top-slice. We will also implement proposals to develop the commercial activities of the LGA and take action to ensure that we maximise the value of our two properties.	EC Harris has been appointed to complete the options appraisal for Local Government House. City of London are now on board for LGA client side support for the refurbishment of Layden House. The 2015/16 RSG bid has been submitted. However, the position with the LGA and IDeA pension deficits remains challenging.
Efficient business management - we will continue to make changes to improve the efficiency of our back-office services, to achieve a further saving in our overheads	Although overheads have been significantly reduced since the Liberata contract renegotiation in 2013, further work is needed to reduce overheads.

Financial Performance

7. The management accounts to the end of August 2014 are included at **Appendix B**. At this stage, an under spend of £680k is projected for the year. A mid-year review of budget performance will be presented to the next Leadership Board.

Corporate Health Indicators

8. The first six months report on the LGA's Corporate Health Indicators is presented at **Appendix C**. Key issues are:
 - 8.1. **Membership** - the number of authorities out of membership has been maintained at 2, although 13 councils are currently on notice to leave in April 2015. All member subscriptions for 2014/15 have now been collected.
 - 8.2. **Financial sustainability** - total headcount has marginally increased due to an increase in the number of grant-funded posts. 1% of debts are over 12 months old, with 94% of debts between 0-2 months old.
 - 8.3. **Liberata Contract** – the Liberata customer survey took place in March 2014. All areas were relatively stable compared with the previous year's ratings but all were 10% below target satisfaction levels.
 - 8.4. **People Management** – average annual sickness has decreased slightly in the first quarter from 3.15 days to 2.7 days. The proportion of BAME employees as a percentage of the total workforce has slightly increased in the first quarter to 16.72%. The number of BAME senior managers remains constant at 12.82%.
 - 8.5. **Employee survey** – the annual employee survey took place in June 2014. The results are currently being reviewed and will be presented in the December performance report.

Conclusion and next steps

9. Leadership Board is invited to comment on the LGA's overall performance in 2014/15.
10. The 9 month performance report will be presented in January 2015.