

## **Performance and Finance report**

### **Purpose**

For information.

### **Summary**

This six-month monitoring report presents a summary of the performance against the LGA's business plan and Memorandum of Understanding with DCLG in respect of our revenue support grant (RSG) funded programmes.

The IDeA Board is formally responsible for oversight of this programme but, given much of the work is funded by RSG, the programme is also provided direction by the Improvement and Innovation Board, and hence the report is also drawn to this Board's attention.

### **Recommendation**

That the Board notes the six-month monitoring report and highlights any areas for further action or report back.

### **Action**

Officers to initiate any required action.

### **Contact officer:**

Dennis Skinner

Paul Brack

### **Position:**

Head of Improvement

Head of Finance

### **Phone no:**

020 7664 3017

020 7664 7309

### **Email:**

[dennis.skinner@local.gov.uk](mailto:dennis.skinner@local.gov.uk)

[paul.brack@local.gov.uk](mailto:paul.brack@local.gov.uk)

## **Performance and Finance report**

### **Background**

1. At previous Board meetings, members have contributed to the development of the improvement programme funded by revenue support grant (RSG) and set out under the theme of sector led improvement in the LGA's overall business plan.
2. As part of the grant agreement reached with DCLG for 2015/16, a Memorandum of Understanding (MOU) has been agreed with DCLG setting out the activity to be funded by RSG in the financial year.
3. The latest monitoring report on performance against the MOU and the business plan priorities is attached at **Annexes A and B**. This covers the 6 month period from April to September. The process for reporting on the third quarter is underway but not completed at the time of finalising this report. In addition, the budgetary position for the whole of LGA of which the RSG grant is part is included in the document attached at **Annex C**.

### **Performance**

4. Overall performance is strong. Of the 26 key targets, 15 are rag-rated green and the remaining 11 are on course to be delivered and currently rated amber. Key highlights to the end of September include:
  - 4.1. 31 peer challenges delivered
  - 4.2. 101 councils received direct improvement support and a further 38 provided with change of control support and 27 bespoke mentoring support
  - 4.3. Helped councils deliver savings through our national software procurement framework totalling £12m
  - 4.4. Helped a further 10 councils achieve savings of £7m through the use of our productivity experts
  - 4.5. Launched our innovative programme with the Design Council supporting 20 councils
  - 4.6. On course for a record year in the number of councillors attending our leadership programmes with 548 either attended or booked on courses by the end of September
  - 4.7. Supporting a range of councils and areas with their devolution bids.
  - 4.8. Supported over 40 councils to address their workforce challenges through a range of bespoke support.

## Financial performance

5. The management accounts for the LGA overall to the end of October 2015 are attached at **Annex C** and show a projected underspend of £2.6 million for the year. This is due to:
  - 5.1 Savings arising from the restructuring of external support services and transfer of ICT contracts from Liberata to Brent. This includes staff savings and additional income arising from the corporate and Liberata projects totalling £2,370k, offset in part by redundancy costs of £600k;
  - 5.2 Core salaries - expected to be under budget by £424k;
  - 5.3 Increased dividends from Geoplace - £250k;
  - 5.4 Decreased net programme costs - £416k;
  - 5.5 Increased contribution to overheads from grant and ring-fenced programs - £145k; and
  - 5.6 Reduced rental income & increased maintenance costs in both Local Government House & Layden House - £376k.
6. RSG programme spend is on course to be almost fully spent. Given the extension of the external audit contracts announced by government by a further year the budget for work on the sector led body will not be fully utilised this year. The IDeA Board at its meeting in December agreed that £100,000 of this budget is used to support the new work we are doing to help councils implement the Syrian Vulnerable Persons Relocation scheme. In addition the IDeA company board will benefit from its share of the savings from the restructuring of external support services referred to in 5.1 above.