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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM:</b> 8
<b>DATE OF MEETING:</b>	<b>19 JULY 2001</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>DEPUTY CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>SALLY KNIGHT (EXT 5728)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>AUDIT OF THE BEST VALUE PERFORMANCE PLAN</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

- 1.1 It is recommended that the District Auditor's report on the Council's second Best Value Performance Plan be received and that the proposed response to the District Auditors recommendations be agreed.

## **2.0 Purpose of Report**

- 2.1 To consider a report from the District Auditor on the audit of the Council's second Best Value Performance Plan (BVPP) and to agree a response to the recommendations made in that report.

## **3.0 Detail**

### *The audit*

- 3.1 The BVPP is subject to audit by the Council's external auditors. This process is designed to reassure local people that the Council's own account of its performance and its targets for the future are reasonable and robust.
- 3.2 The audit has now been completed and a copy of the District Auditor's Report, statutory Certificate and Opinion and Action Plan are attached to this report at Annexe A.
- 3.2 The audit work included:
- a detailed follow up of progress against recommendations made in the first Best Value audit
  - an assessment of overall progress in relation to Best Value

- 3.3 The District Auditor, Mr P. Jones, will give a presentation on his report prior to the meeting of this Committee at 4.00 p.m. in the Council Chamber.
- 3.4 The Council is required to publish the Auditor's report as soon as possible after receipt. Accordingly, copies have been made available for inspection at the Civic Offices and at local libraries. A copy will also be placed on the Council's web site alongside the BVPP.

*Main findings*

- 3.5 The District Auditor commends the Council for continuing to develop its Best Value approach.
- 3.6 Members will also be pleased to note that the District Auditor has issued an 'unqualified' opinion on the Plan. (This means that it complies in all significant respects with the legislation and statutory guidance). He has also not recommended that the Audit Commission should carry out a Best Value inspection of the authority or that the Secretary of State should give a direction under Section 15 of the Local Government Act 1999. (This Section provides the Secretary of State with powers to act where authorities are failing to deliver Best Value.)
- 3.7 The District Auditor's main findings include:
- both the BVPP and the Summary provide a *'good example of honest performance reporting'*
  - there has been some progress in the collection and management of performance information - the Council needs to ensure that the momentum is not lost
  - services need to use performance indicators to plan work and inform priorities. Members also need to receive relevant performance information.
  - the application of Best Value principles has continued to improve as a result of guidance and training. However, many staff still do not connect Best Value with routine service delivery. Communication, therefore, needs to be improved.
  - the review process has slipped to some extent, but is progressing due to enhancements to project management and accountability. *'However an inspection of the Sheltered Housing Service identified significant weaknesses in the service and the review process which need addressing.'*
  - arrangements for delivering 'challenge' under Best Value need attention.

## *Recommendations and Action Plan*

- 3.8 The District Auditor has also produced a series of recommendations designed to tackle areas of weakness. These are set out in the Action Plan. The key statutory recommendations concern:
- the introduction of an integrated performance management system
  - the introduction of detailed guidance on the 4 Cs (*compare, challenge, consult and compete*)
  - accountability for performance indicators
  - training for members and officers on applying 'challenge' to the review process
  - the introduction of a mechanisms for independent 'reality checks' on Best Value Reviews
- 3.9 The Council has 30 working days in which to respond to these recommendations. The District Auditor will then assess whether the action proposed to be undertaken is appropriate and make further recommendations where necessary. The finalised statement and relevant explanations have to be incorporated in next year's BVPP.
- 3.10 A proposed response to the recommendations has been incorporated in the Action Plan.
- 3.11 The response commits the Council to adopt a detailed performance management framework and a more rigorous approach to Best Value, including 'reality checks' on Reviews.

## **4.0 Financial Implications**

- 4.1 There may be a small additional cost (as yet unspecified) of bringing in external help to carry out 'reality checks' on Best Value Reviews (Recommendation No. 13). The intention would be to try to meet these costs from existing budgets.

## **7.0 Conclusions**

- 7.1 Under the Local Government Act 1999, the Council is required to comply with the general duty of 'Best Value'. This requires the Council to seek continuous improvement in the way in which it exercises its functions. As part of the process, the Council is required to produce an annual BVPP, summarising its achievements, assessing performance and proposing future action.
- 7.2 This is the report that the District Auditor is required to provide on the BVPP under Section 7 of the Local Government Act 1999.

## **8.0 Background Papers**

- 8.1 Best Value Audit Report – BVPP 2001/2001, statutory Certificate and Opinion and Action Plan – District Audit (June 2001)

