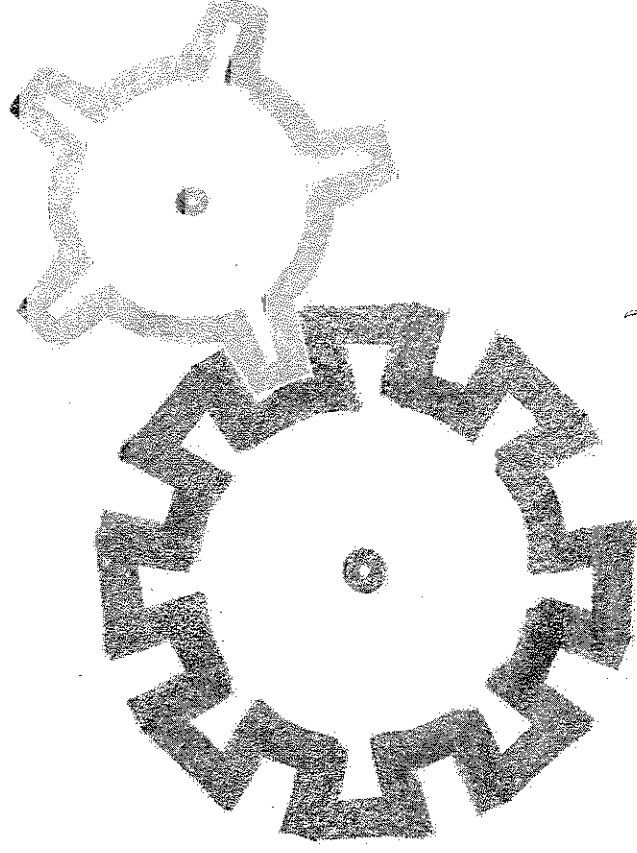


Grant Thornton

South Derbyshire District Council

Review of the Council's Arrangements for Securing Value for Money

Final 20 September 2011



Birmingham Government Audit

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Executive Summary

Our approach

Value for Money Conclusion

Our work supporting our Value for Money conclusion, as part of the statutory external audit, comprises a review to determine if the Council has proper arrangements in place for securing financial resilience and an assessment of the Council's arrangements to secure economy, efficiency and effectiveness.

In so doing we have considered whether the Council has robust financial systems and processes in place to manage its financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future. We have carried out our work in discussion and agreement with officers and completed it in such a way as to minimise disruption to them.

The definition of foreseeable future for the purposes of this financial resilience review is 12 months from the date of this report.

We have reviewed the financial resilience of the Council by looking at:

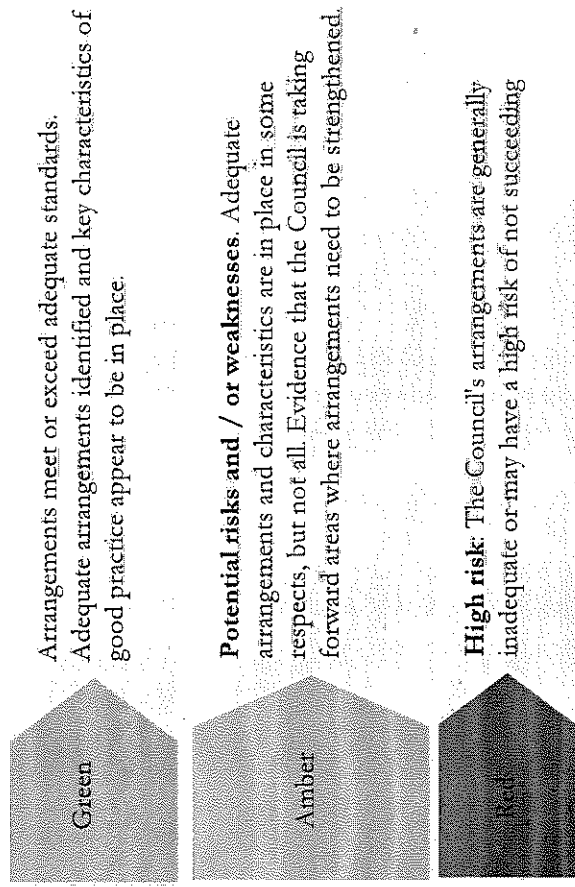
- Key indicators of financial performance;
- Its approach to strategic financial planning;
- Its approach to financial governance; and
- Its approach to financial control.

We have reviewed the ability of the Council to secure economy, efficiency and effectiveness by looking at:

- Its ability approach to prioritising resources; and
- Its approach to improving efficiencies.

Further detail on each of these areas is provided in the sections of the report that follow. Our overall conclusion is that whilst the Council faces significant risks and challenges in 2011/12 and beyond, its current arrangements for achieving financial resilience and securing economy, efficiency and effectiveness are adequate.

We have used a red / amber / green (RAG) rating with the following definitions.



Executive Summary

National and Local Context

Local Government Issues

The Chancellor of the Exchequer announced the Comprehensive Spending Review (CSR) to Parliament on 20 October 2010. This formed a central part of the Coalition Government's response to reducing the national deficit, with the intention to bring public finances back into balance during 2014/15.

The associated report published Government Departmental Expenditure Limits (DELs) for the four-year spending review period: 2011/12 to 2014/15. CLG funding was reduced by 26% over the period.

The CSR represented the largest reductions in public spending since the 1920's. Revenue funding to local government will reduce by 19% by 2014/15 (excluding schools, fire and police). After allowing for inflation, this equates to a 28% reduction in real terms with local government facing some of the largest cuts in the public sector. In addition, local government funding reductions have been frontloaded, with 8% cash reductions in 2011/12.

The provisional Local Government Finance Settlement was announced on 13 December 2010. The final figures were announced on 31st January with the debate and approval by the House of Commons on 9th February. This represents a two year funding announcement, because the Government is delaying a decision on later years until after their review of local government finance.





This follows a period of sustained growth in local government spending, which increased by 45% during the period 1997 to 2007. The funding reductions come at a time when demographic and recession based factors are increasing demand for some services, and there is a decreasing demand for some services, such as car parking, where customers pay a fee or charge.

Local Context

South Derbyshire District Council is based in the East Midlands with a civic centre in Swadlincote surrounded by rural areas. The population is approximately 92,700. The impact of the challenging economic climate has been evidenced by rising unemployment. The Council has therefore been particularly affected by spending cuts and reduced income within a landscape of increased demand for public services.



Executive Summary

Overview of Arrangements

Risk area	Summary observations	High level risk assessment
Financial Resilience		
Key Indicators of Performance	<p>The Council is generally operating in accordance with its plans which were set taking the current challenging economic circumstances into account. It should maintain close observation on liquidity and short term borrowing.</p>	 Green
Strategic Financial Planning	<p>The Council maintains up to date corporate plans and ensures that these are interlinked to other plans. These are reviews regularly enabling swift responses to external factors.</p>	 Green
Financial Governance	<p>Governance arrangements are generally fit for purpose with good structures in place to ensure robust arrangements.</p>	 Green
Financial Control	<p>The issues causing a risk to the Council's financial control relate to internal audit, the staff restructuring combined with the move to Northgate, and the issues around the integrity of the asset management system. These are all being addressed in 2011/12.</p>	 Amber

Executive Summary

Overview of Arrangements

Risk area	Summary observations	High level risk assessment
Securing Economy, Efficiency and Effectiveness	The Council takes steps to encourage stakeholder input in the prioritisation of resources.	
Prioritising Resources	The Council takes steps to encourage stakeholder input in the prioritisation of resources.	Green
Improving Efficiency and Productivity	The Council has a good understanding of its costs and ensures that it challenges service delivery to drive further efficiencies.	
		Green

Executive Summary

Next Steps

Area of review	Key points for consideration	Responsibility	Timescale	Management response
Key Indicators of Performance	<ul style="list-style-type: none"> The Council should continue to monitor its levels of reserves to ensure financial resilience is maintained in the continued turbulent economic climate. The Council should review its short term requirement at year end to borrow in order to finance fundamental items of expenditure such as payroll. It should ensure that there is an up to date Treasury Management Policy which is followed. The Council should continue to closely monitor its arrangements in relation to workforce so that the risk in relation to this does not become an issue. Due to staff restructuring across all councils, this is a nationally prominent issue. 	Head of Corporate Services	Ongoing	<ul style="list-style-type: none"> This will continue to be met through the Council's financial reporting arrangements
Strategic Financial Planning	<ul style="list-style-type: none"> We recommend that the Council should consider adopting Zero Based Budgeting from 2011/12., subject to the constraints imposed by reduced staffing. This is an important factor in the success of strategic prioritisation of resources in councils to support them in facing future challenges as it breaks down silo working and builds up costs rather than using an incremental approach. 	Head of Corporate Services	Ongoing	<ul style="list-style-type: none"> This review is being completed as part of the Council's Treasury Management Strategy and will continue to be monitored through its quarterly financial monitoring reports. The Council through CMT will continue to monitor closely these arrangements on a regular basis. The Council in partnership with Northgate Public Services will introduce Zero Based Budgeting for the 2012/13 budget round.

Executive Summary

Next Steps

Area of review	Key points for consideration	Responsibility	Timescale	Management response
Financial Governance	<ul style="list-style-type: none"> In the context of continuous improvement and the profile of Audit Committees becoming more prominent in line with DCLG initiatives, it is important for all Councils to seek opportunities to strengthen arrangements in this regard. We recommend that the Council actively encourages improvement in this area and supports Members by providing requisite training and support. Aligned to this, the Council should ensure that its risk management arrangements are sufficiently adequate to cope with the additional challenges presented by the current turbulent economic climate. 	Head of Corporate Services	Ongoing	<ul style="list-style-type: none"> Training for members of the Audit Committee has been undertaken. The Council will review if a follow-up training session including risk management is needed.
Financial Control	<ul style="list-style-type: none"> The Council's asset register is not fit for purpose therefore we recommend that the Council swiftly takes steps to improve the integrity of the system. It should address the issue caused by the lack of interface between the capital accounting module of the asset register and the finance system. Agresso and also it must address the issue of the lack of audit trail on data. The Internal Audit service has experienced some issues but this should be resolved now that this function will now be performed by Derby City Council which has strength in depth. The Council should continue to monitor this closely. 	Head of Corporate Services	December 2011	<ul style="list-style-type: none"> The Council is working in partnership with Northgate Public Services to review and implement an alternative solution to this problem.
		Head of Corporate Services	November 2011	<ul style="list-style-type: none"> The new partnership will be formally implemented with Derby City Council on 1st November 2011. The governance arrangements will be monitored by the South Derbyshire District Council's Audit Committee.

Executive Summary

Next Steps

Area of review	Key points for consideration	Responsibility	Timescale	Management response
Financial Control (continued)	<ul style="list-style-type: none"> The Finance Department's move to Northgate has presented some issues and it is critical for the Council to continue to monitor and manage these arrangements closely to ensure that these do not escalate. 	Head of Corporate Services	Ongoing	<ul style="list-style-type: none"> Northgate Public Services have responded to additional requirements from South Derbyshire District Council and is currently implementing new arrangements to support budget holders.
Prioritising Resources	<ul style="list-style-type: none"> We are pleased to note that the Council has a comprehensive consultation programme with stakeholders to ensure that resources are focused in service areas which are of most benefit to residents. This will become increasingly important going forward. 	Head of Corporate Services	Ongoing	<ul style="list-style-type: none"> We will continue to actively consult with our residents and stakeholders on the Council's priorities and the associated budgets to deliver these.
Improving Efficiency and Productivity	<ul style="list-style-type: none"> The Council undertakes a range of benchmarking activity to gauge its performance against that of comparable councils. We believe that this is worthwhile activity and recommend that the Council continues to focus attention on this area to develop its good practice. We recommend that the Council continues this work and ensures that it takes corrective action where necessary. However, it is important that the Council takes extra care to ensure that risk and controls are not compromised as a result of any savings initiatives. 	Head of Corporate Services	Ongoing	<ul style="list-style-type: none"> We will continue to measure our performance with other high performing local authorities where information is available. Our Corporate Risk Management Group and Business Improvement Board meet on a quarterly basis to look at future developments and to mitigate any risks associated with them.

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Key Indicators

Introduction

This section of the report includes analysis of key indicators of financial performance, benchmarked where this data is available. These indicators include:



- Working capital ratio
- Usable Reserves: Gross Revenue Expenditure
- Long term borrowing to tax revenue
- Long term borrowing to long term assets
- Sickness absence levels
- Out-turn against budget

We have used the Audit Commission's nearest neighbours benchmarking group comprising the following authorities:




Staffordshire Moorlands District Council
Hinckley and Bosworth Borough Council
Selby District Council
South Staffordshire Council
Lichfield District Council
South Ribble Borough Council
High Peak Borough Council
Newark and Sherwood District Council
Chorley Borough Council
North Warwickshire Borough Council
Amber Valley Borough Council
East Northamptonshire Council
West Lindsey District Council
Daventry District Council
Kettering Borough Council

Key Indicators

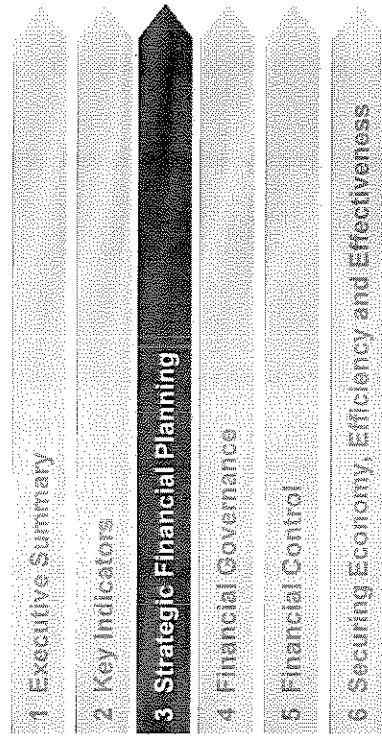
Overview of performance

Area of focus	Summary observations	Assessment
Performance Against Budget	<ul style="list-style-type: none">In 2010/11 the outturn was consistent with budget, with an overall deficit of £94k, set realistically given the challenging economic climate.The Council has seen some efficiency savings materialise as a result of its corporate services savings.	 Green
Reserve Balances	<ul style="list-style-type: none">The Council does not have investments and hence no investment income (other than insignificant amounts from its deposit funds).The General Fund stood at £3.2m in 2009/10. This reduced slightly to £3m in 2010/11 which is as expected due to the economic climate and is consistent with the Council's policy on reserves being well within its approved safe limit of a £1m reserve level.	 Green

Key Indicators

Area of focus	Summary observations	Assessment
Liquidity	<ul style="list-style-type: none"> At 31 March 2011 the Council had cash balances of £3m, due to the short term loan of £5m which it took out and repaid in June, as it did in 2009/10. This provides sufficient liquidity. 	 <p>Green</p>
Borrowing	<ul style="list-style-type: none"> The Council's borrowing is low and within the prudential borrowing limits. However, there is a risk relating to the short term loans which it has taken out, for £3m in 2009/10 and £5m in 2010/11 as mentioned above. The Council should monitor this short term borrowing need, particularly due to the increase in amount and the need to use this facility to cover regular expenses such as payroll costs. 	 <p>Amber</p>
Workforce	<ul style="list-style-type: none"> Sickness absence creates additional costs and reduces productivity through lack of continuity. It has therefore become a prominent issue for all Councils in the current economic climate. The national average in the public sector is 9.6 days per FTE and in the private sector it is 6.6 days. In 2009/10 sickness absence was on average 8.5 days per FTE, slightly above the Council's target of 8 days. In 2010/11 the average was marginally higher at 8.60 days per FTE against the same target. The Council should continue to monitor this area closely. The Council has a workforce strategy that is updated annually. All employees are aware of strategic priorities and these are built into the PDR process where applicable. Some staff (84 out of 400) now work for Northgate under the corporate outsourcing contract therefore the Council has to communicate its strategy to Northgate. There is always a risk when fundamental business processes are outsourced to a third party as it loses direct control of its business processes. The Council is still in the process of establishing this relationship. 	 <p>Amber</p>

South Derbyshire District Council – Review of the Council's arrangements for securing Value for Money



Strategic Financial Planning

Key indicators of good strategic financial planning

In conducting our review of strategic financial planning we have assessed the Council's performance against the following indicators:

- focus on achievement of corporate priorities is evident through the financial planning process. The MTFS focuses resources on priorities.
- The MTFS includes outcome measures, scenario planning, benchmarking, resource planning and details on partnership working. Targets have been set for future periods in respect of reserves/balances, prudential indicators etc.
- Annual financial plans follow the longer term financial strategy.
- There is regular review of the MTFS and the assumptions made within it. The Council responds to changing circumstances and manages its financial risks.
- The Council has performed stress testing on its model using a range of economic assumptions including CSR.
- The MTFS is linked to and is consistent with other key strategies, including workforce.
- KPIs can be derived for future periods from the information included within the MTFS.

Strategic Financial Planning

Medium Term Financial Strategy

Area of focus	Summary observations	High level risk assessment
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Focus of the MIFS

- There is an MIFS which has been updated to reflect the impact from the Comprehensive Spending Review and other external factors. It is the subject of continuous update as conditions change.

Green

Scope of the MTFP and links to annual planning

- The MTFP contains a section on risk. It states that the Council will need to review plans and spending levels regularly and achieve efficiency savings. These show a clear understanding of the financial positions and risks.
- The Council's current MTFP covers the period 2009-2016 and is updated annually. This demonstrates that the Council has long term focus.
- The Corporate Plan 2009-2014 is based on a robust evidence base and detailed consultation with key stakeholders. The Corporate targets are resourced and are delivered through actions that are evidenced -these are filtered down through service plans to Personal Development Plans (PDPs) as part of the corporate planning process.
- Stakeholders are consulted as part of the budgeting process. Internally, department managers communicate financial position and challenges through department meetings.

Green



Adequacy of planning assumptions

- Assumptions around income are based on detailed analysis and track record.
- The Council undertook scenario planning in advance of financial settlement and were proven to be realistic.
- The Council understands its workforce costs and is controlling these. Employee costs are comparable to other similar bodies and manages those factors that influence costs.

Green

Strategic Financial Planning

Medium Term Financial Strategy

Area of focus	Summary observations	High level risk assessment
Review processes	<ul style="list-style-type: none">• The Council works to ensure that plans are deliverable. This is evidenced by CMT and Policy Committee having reviewed all plans prior to implementation.• The Audit Committee meets regularly.• Senior management review budgets monthly.	 Green
Responsiveness of the Plan	<ul style="list-style-type: none">• The Council reviews the MTFP routinely to ensure it accurately reflects the Council's response to the challenges it faces and its changing structures.	 Green

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Financial Governance

Key indicators of effective financial governance

In conducting our review of financial governance we have assessed the Council's performance against the following indicators:

Understanding

- There is a clear understanding of the financial environment the Council is operating within.
 - Regular reporting to Members. Reports include detail of action planning and variance analysis etc.
 - Actions have been taken to address key risk areas
 - Officers and Members understand the financial implications of current and alternative policies, programmes and activities.

Engagement

- There is engagement with stakeholders including budget consultations

Monitoring and review

- There are comprehensive policies and procedures in place for Members, Officers and budget holders which clearly outline responsibilities.
- Number of internal and external recommendations overdue for implementation
- Policy Committee regularly reviews performance and it is subject to appropriate levels of scrutiny
- There are effective recovery plans in place (if required)



Financial Governance

Understanding and engagement

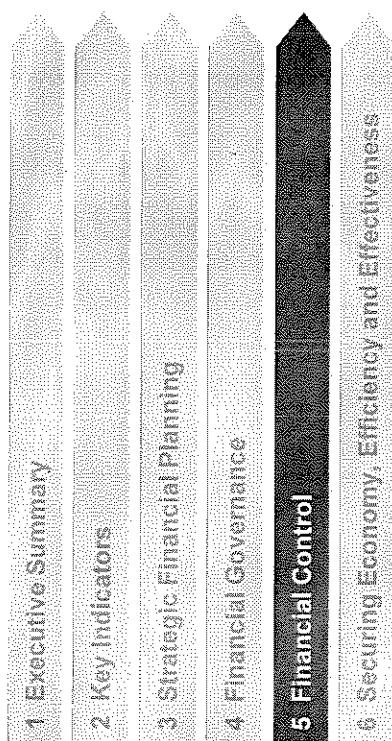
Area of focus	Summary observations	High level risk assessment
Understanding the Financial Environment	<ul style="list-style-type: none">• The Council has a corporate-wide risk register. In 2009/10 the Council revised its risk management approach and developed a strategic risk group that will be set up from across the council and contains an overall strategy, toolkit and terms of reference for looking at the Council's risks throughout the organisation.• There have been no significant control issues raised by internal audit.• The Council has assessed risk in relation to the MTFP.• The Council has undertaken various long term strategies to achieve savings which indicate that a long term approach to planning.• The Council has developed a local Code of Corporate Governance which is consistent with the principles of the CIPFA SOLACE framework of good governance, through which it manages risk.• To support service delivery the Council has created a dedicated Business Improvement Team through its Strategic Partnership with Northgate. This is overseen by a Business Improvement Board to ensure efficiencies are delivered. As part of this overarching transformation, every service area is being reviewed.	● Green
Policy Committee and Member Engagement	<ul style="list-style-type: none">• Departmental managers devise budgets for their departments as part of the budget setting process. These are then compiled into the service line budgets which ensures that front line staff input into the process. The staff forum also helps to achieve this.	● Green
Overview for controls over key cost categories	<ul style="list-style-type: none">• The Council has demonstrated that members and senior officers are clear about their roles. The take up of training and development opportunities is high and quality is checked.• In 2009/10 SOLACE carried out a review of the Council's corporate governance arrangements which states that the Council has all the necessary documents, processes and structures to support good corporate governance.• Stakeholder involvement in the planning and budgeting processes allows their input into how services are delivered.	● Green

Financial Governance

Monitoring and review

Area of focus	Summary observations	High level risk assessment
Review of accuracy of Committee/Cabinet Reports	<ul style="list-style-type: none">• The Council prepares detailed monthly budget monitoring reports for Officers and Members.• Quarterly reports provide an in-depth analysis of performance against budgets.• The Council has a robust approach to financial planning. It achieved its budget in 2009/10 and is on course to do the same in 2010/11, therefore demonstrating a sound approach to financial planning.• The MTFP is reviewed quarterly to update for latest developments. Financial planning is linked to risk management and service delivery plans.• The latest MTFP is realistic in assessing the risks and challenges facing the Council over the next few years.	 Green
Performance Management of Budgets	<ul style="list-style-type: none">• The Council has a strong understanding of its cost base and performance. This has allowed it to develop achievable budgets and efficiency savings. Besides the corporate performance monitoring framework, the Council has bought the IPF report which compares and analyses spending and performance. This has been performed where costs appear high.• The Council uses a traffic light system for performance management purposes to identify areas of achievement. Policy Committees receive monitoring reports and agree suitable action to take where necessary. Also a Financial and Management Committee receive quality finance monitoring reports for the same purpose.	 Green

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Financial Control

Key indicators of effective financial control

In conducting our review of financial control we have assessed the Council's performance against the following indicators

Budget setting and budget monitoring

- Budgets are robust and prepared in a timely fashion.
- Budgets are monitored at an officer, member and policy committee level and officers are held accountable for budgetary performance
- Financial forecasting is well developed and forecasts are subject to regular review

Finance Department

- The capacity and capability of the Finance Department is fit for purpose.

Financial Systems




- Key financial systems have received satisfactory reports from internal and external audit.
- Financial systems are adequate for future needs.

Internal Control

- Strength of internal control arrangements – there is an effective internal audit which has the proper profile within the organisation. Agreed Internal Audit recommendations are routinely implemented in a timely manner
- There is an assurance framework in place which is used effectively by the Council and is how business risks are managed and controlled.
- The Annual Governance Statement gives a true reflection of the organisation




Financial Control

Internal arrangements

Area of focus	Summary observations	High level risk assessment
<p>Performance Management of Budgets</p>	<ul style="list-style-type: none"> The Council has reported deficit variances to budget for the three financial years since 2007/08. However, these variances were not material in nature (the largest being -£124k) and this has been against a background of increasing its Council Fund balance. Relevant performance information is reported to officers and members on a quarterly basis to manage performance and shape service delivery to respond to declining performance levels. Trend data is highlighted and the council uses this info to shape decisions regarding service delivery. 	
<p>Budget setting and budget monitoring and forecasting including detail of frequency of forecasting</p>	<ul style="list-style-type: none"> Monthly monitoring is reported to Finance and Management Committee. The MTFP is reviewed quarterly and updated as appropriate. Budget processes involves looking at all service areas to drive efficiencies not just high cost areas. Each service line develops its own plan therefore ensuring full coverage of all departments. 	<p>Green</p>
<p>Performance against Savings Plans</p>	<ul style="list-style-type: none"> In 2009/10, NI 179 VFM releasing gains were £1,541k, higher than the median for the nearest neighbour benchmark group of £1,446k, indicating a strong performance. The Council has a five year efficiency savings plan from 2011 to 2016 of £3m, £2.5m of which has already been confirmed. The Council has a good understanding of its costs and performance. It has a five year efficiency savings plan running from 2011 to 2016 broken down into specific areas where savings will be achieved. 	 <p>Green</p>
<p>Finance Department resourcing and qualifications / experience</p>	<ul style="list-style-type: none"> There have been no historical issues noted with capacity in the Finance Department and the staffing is considered adequate for a district council. Both the Chief Finance Officer and the Chief Accountant have been in their current posts for a number of years therefore this is a low risk area. However, from 1 August 2010, Northgate assumed responsibility to resource the Finance Department under the corporate outsourcing programme. It is currently reviewing all staff posts with a view to restructure roles in 2011/12. There is a risk that there will be insufficient suitable resource to deliver the services required and therefore this should be closely monitored. There is also the risk attached to outsourcing due to loss of direct control which may have implications for staff performance. 	 <p>Amber</p>

Financial Control

Internal and external assurances

Area of focus	Summary observations	High level risk assessment
Summary of key financial accounting systems	<ul style="list-style-type: none"> • The Council implemented Agresso in April 2010, providing a reliable finance system going forward. • Through this, the Council produces data through mechanisms supported by its data quality policy and data sharing protocol with key partners and has implemented a new performance management system. • The financial statements and the Council's internal management accounts reconcile which ensures both internal and external financial information is reported consistently. Summary accounts are also produced. • However, the capital accounting module of the Asset Management system is not fit for purpose. The integrity of the data is not assured and there is a lack of audit trail. Additionally, the interface between the asset and finance systems is unreliable which reduces confidence in the data. 	 Amber
Internal audit arrangements including compliance with CIPFA Code of Practice for Internal Audit	<ul style="list-style-type: none"> • There were no limited / no assurance audit opinions issued, nor any outstanding recommendations as a result of an internal audit plan which historically has not varied year on year and is not comprehensive in scope. Therefore there is a risk that the plan has not been addressing areas with potential risk to the control environment. • However, the Council now has an arrangement with Derby City Council to provide internal audit services, who show strength in this area. From 2011/12 onwards this should result in an improvement in this area. 	 Amber
External audit arrangements and programme of activities	<ul style="list-style-type: none"> • The conclusions from the most recent Annual Audit Letter noted that the Council will need to ensure that: <ul style="list-style-type: none"> ➤ Whilst the Council's medium term financial plans and strategy are considered to be sound, a flexible approach needs to be taken in respect of future financial planning. With the on going requirement to make significant savings across the activities of the Council, the need to identify and deliver new ways of increasing productivity and improving efficiency will become even more critical; ➤ Its workforce plan is designed to improve efficiency, productivity and value for money outcomes against local priorities. • The Council has made good progress with its strategic planning. • However, regarding workforce, there have been issues with the provision of services outsourced to Northgate and the Council is reviewing this closely. 	 Amber

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Securing Economy, Efficiency and Effectiveness

Key indicators of securing economy, efficiency and effectiveness

In conducting our review of securing economy, efficiency and effectiveness we have assessed the Council's performance against the following indicators:

Prioritising Resources




- Leadership from senior management on prioritising resources and spending reductions
- Review and challenge of corporate priorities and cost effectiveness, identifying where activities do not contribute sufficient value
- Consultation with frontline staff and local residents
- Decision making based on adequate information
- Options appraisal
- Consideration of alternative lower cost options
- Justify spending compared to others
- Cost reductions do not result in reduced efficiency or increased spending elsewhere
- Record of spending in non priority areas

Improving Efficiency and Productivity

- Information on costs
- Use of comparative data to challenge VFM practice
- Efficiency plans
- Evaluation of options
- Input from staff into efficiency options
- Challenge to service delivery
- Monitoring achievements
- Success in achieving efficiencies





Securing Economy, Efficiency and Effectiveness

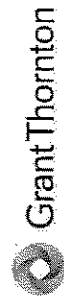
Prioritising Resources

Area of focus	Summary observations	High level risk assessment
Leadership of Senior Management regarding prioritising resources	<ul style="list-style-type: none">• Members and managers have been involved in the budget setting process and resulting spending reductions. Main scrutiny and involvement is through the Performance Monitoring and Budget Scrutiny Committee.• Budget setting involves peer challenge which has resulted in further potential savings being identified.	 Green
Consultation with stakeholders	<ul style="list-style-type: none">• The Citizens' Panel surveys have been conducted, based on proposed service alterations and funding cuts due to the current financial situation.• The Council's first Place Survey was carried out in 2008. These ask residents about their perceptions of local area.	 Green
Cost analysis	<ul style="list-style-type: none">• Cost savings have been identified across a number of areas by reviewing service delivery methods through outsourcing e.g Northgate Public Services or Partnering e.g. Internal Audit with Derby City Council.	 Green

Securing Economy, Efficiency and Effectiveness

Improving Efficiency and Productivity

Area of focus	Summary observations	High level risk assessment
Information on costs	<ul style="list-style-type: none">• Costs are understood and some benchmarking takes place which is used to support service planning and challenge value for money. The Council ensures that all significant projects are subject to an investment appraisal.	 Green
Comparisons with benchmark partners	<ul style="list-style-type: none">• A Value for Money study was commissioned by the Audit Committee in late 2010. The aim was to produce a framework that service managers can use to assess the value provided by their own services which can then be used as a guide to the changes required to improve service provision. It is part of the wider Improving Our Organisation Change Programme which is being implemented within the Council.	 Green
Challenge to service delivery	<ul style="list-style-type: none">• The Council has challenged service delivery in a number of areas as a result has undertaken an outsourcing arrangement with Northgate for the provision of some services.	 Green
Monitoring achievements	<ul style="list-style-type: none">• Efficiencies and balanced budget are achieved annually. The Council's savings are in line with the average level of savings for comparable councils.• The Council has a Performance Management and Budget Scrutiny Committee that meets regularly to consider financial performance and to consider how it is responding to challenges of CSR on service delivery.	 Green



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