

REPORT TO CABINET

REPORT OF: Corporate Head, Finance and Customer Services

REPORT NO: CHFCS73

DATE: 7th December 2009

TITLE:	Use of Resources Assessment 2008/09 - Feedback and Scores	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Mike Taylor Resources and Assets Portfolio Holder	
CONTACT OFFICER:	Richard Wyles – Corporate Head of Finance and Customer Services 01476 406210 Email: r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required: N/A
Equality and Diversity	N/A	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS		

1. RECOMMENDATION

Members are asked to note the comments and scores contained within this report and approve the production of an action plan in order for the Authority to improve the scoring in respect of 2009/10 assessment.

2. PURPOSE OF THE REPORT

'Use of Resources' is an assessment framework undertaken by the external auditors on an annual basis. For the 2008/09 assessment there has been a complete review by the Audit Commission in it's approach which has resulted in a more demanding review than the previous assessment. It is now broader in scope and embraces wider resource issues such as people and workforce planning, asset utilisation and the use of natural resources. It also places greater emphasis on considering outcomes for local people rather than merely processes and procedures. It is particularly important to recognise that the KLOE's (Key Lines of Enquiry) are more strategic and focus more explicitly on value for money achievements and improvements.

From 2008/09 the new Use of Resources assessment also forms part of the Comprehensive Area Assessment (CAA).

Auditors are required to reach a rounded professional judgement against each of the KLOE, assessing not only whether arrangements are in place but also the impact of the arrangements in practice as demonstrated by evidence of outcomes.

The three areas focused upon for the 2008/09 assessment were:

- Managing Finances
- Governing the Business
- Managing Resources

Within managing resources there are 3 distinct areas which are assessed on a rolling programme and for 2008/09 the focus area was people and workforce planning.

Judgements are made for each KLOE using the 4 point scale of performance:

- Level 1: Does not meet minimum requirements – performs poorly
- Level 2: Meets only minimum requirements – performs adequately
- Level 3: Exceeds minimum requirements – performs well
- Level 4: Significantly exceeds minimum requirements – performs excellently

3. DETAILS OF REPORT

For the 2008/09 financial year, the Audit Commission has undertaken an assessment of how the Council is managing it's resources to deliver value for money and better and sustainable outcomes for local people.

After reviewing all the evidence submitted by the Council under each of the KLOE themes the Audit Commission's judgement on the Council's performance is a level 2 – performing adequately. Against each of the three main judgement areas the weighted scores were:

KLOE Themes	Score
Managing Finances	Level 3
Governing the business	Level 2
Managing Resources	Level 2
Overall	Level 2

Managing Finances

There are three sub-themes to the Managing Finances theme which are all scored in order to establish the overall KLOE theme score.

Use of resources KLOE theme and sub-theme	Score
Managing finances - How effectively does the organisation manage it's finances to deliver value for money?	Level 3
Does the organisation plan it's finances effectively to deliver it's strategic priorities and secure sound financial health?	3
Does the organisation have a sound understanding of it's costs and performance and achieve efficiencies in it's activities?	2
Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	3

The commission's view under this theme was that the Council performs well in relation to planning its finances effectively in order to deliver it's strategic priorities along with timely financial reporting which is reliable and meets the needs of users. However, going

forward the Council needs to focus on gaining a sound understanding of its costs and performance to achieve efficiencies.

Governing the Business

There are four sub-themes to the Governing the Business theme which are all scored in order to establish the overall KLOE theme score.

Use of resources KLOE theme and sub-theme	Score
Governing the business - How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?	Level 2
Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?	2
Does the organisation produce relevant and reliable data and information to support decision making and manage performance?	2
Does the organisation promote and demonstrate the principles and values of good governance?	2
Does the organisation manage its risks and maintain a sound system of internal control?	2

Current arrangements perform adequately with the Council needing to develop arrangements for commissioning and procuring quality services, generating reliable data to inform decision making, promote principles and values for good governance and enhancing the systems of internal control.

Managing Resources

As outlined previously the Managing Resources theme is assessed annually but the sub-theme changes on a 3 year rolling programme. For 2008/09 the sub-theme focus was people resources and in particular work-force planning.

Use of resources KLOE theme and sub-theme	Score
Managing resources - How well does the organisation manage its natural resources, physical assets and people to meet current and future needs and deliver value for money?	Level 2
Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?	2

The Council is performing adequately to developing organisational plans, and organising and developing its workforce to support the achievement of its strategic priorities.

2009/10 Assessment

The criteria for the 2009/10 assessment will remain largely unchanged, although the managing human resources KLOE is replaced by one which assesses whether the Council is making effective use of natural resources. The areas of focus for this KLOE theme are whether the organisation:

- understands and can quantify its use of natural resources and can identify the main influencing factors;
- manages performance to reduce its impact on the environment; and
- manages the environmental risks it faces, working effectively with partners.

The audit commission expect to begin undertaking this assessment in January and February 2010.

4. OTHER OPTIONS CONSIDERED

None applicable

5. RESOURCE IMPLICATIONS

None applicable

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

None applicable

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

None applicable

8. CRIME AND DISORDER IMPLICATIONS

None applicable

9. COMMENTS OF SECTION 151 OFFICER

My comments are included in the report.

10. COMMENTS OF MONITORING OFFICER

This report is for members to note the results and comments of the Audit Commission relating to the Council's use of resources for the period 2008/2009 and the criteria for scoring for the period 2009/2010. As scores will contribute to the Comprehensive Area Assessment scores, the Council will work closely with the County Council and other districts within the County to improve the scores for use of resources.

11. APPENDIX:

None